

National University of Technology

IJP Road, Sector I-12, Islamabad
Phone: 051-5476768 – Fax 051-5476769



BIDDING DOCUMENT

For

**Operation & Maintenance of HVAC System at National
University of Technology, Islamabad.**

SINGLE STAGE - TWO ENVELOPES

September, 2020

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Subject

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INSTRUCTIONS TO BIDDERS (ITB)

AND

APPENDICES TO ITB

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INSTRUCTIONS TO BIDDERS

A. GENERAL

IB.1 Scope of Bid and Source of Funds

1.1 SCOPE OF BID

National University of Technology IJP Road, Sector I-12, Islamabad (hereinafter called “the Owner”) wishes to receive bids for the following scope of works/services:

“Operation & Maintenance of 614 Ton VRF Type HVAC System and 80 Ton Package Unit installed in Administration and Academic Blocks at National University of Technology, Islamabad”

Tender no. 106/PMO/O&M/01

Bidders must quote for the complete scope of works/Services. Any bid covering partial scope of work/services will be rejected as non-responsive, pursuant to Clause IB.24.

1.2 SOURCE OF FUNDS

The project is being funded through Treasury / Government of Pakistan.

IB.2 Eligible Bidders

2.1 Bidding is open to all firms and persons meeting the following requirements:

- a. Each individual bidder must have valid registration by PEC.
- b. Must be registered with FBR having valid NTN.
- c. Each bidder must have valid PEC Registration in **Category O-4** with specialization in Code **ME-01**.
- d. Bidder meeting the above said conditions 11.2(a),(b) & (c) will be considered for further evaluation and will be qualified if it meets the following Criteria:
 - i) The firm should have atleast 10 years’ experience in the field of Operation & Maintenance of HVAC system.
 - ii) Must have experience of Operation & Maintenance Contracts of similar (VRF type) HVAC system and nearly similar Capacity in last 05 years. Their Contract Value alongwith copies of Contract/Work Order must be provided.
 - iii) Must have office in Islamabad / Rawalpindi.

- iv) Proof of Financial Stability and Bank Certificate of Financial soundness.
- v) Must have well qualified staff having min 5 years' experience in the field of VRF type HVAC system.
- vi) Past or present performance of the bidder as contractor is satisfactory with all executing agency and the contractor has not been blacklisted earlier by any government agency / authority / organization.
- vii) The Firm shall certify the capacity and capability for performing the Operation and Maintenance Works / Services, qualified man-power and production/delivery of quality materials.

IB.3 Eligible Goods and Services

- 3.1 All Goods and Services to be supplied under this Contract shall have their origin in eligible countries listed in Appendix 'A' to Instructions to Bidders and all expenditures made under the Contract will be limited to such Goods and Services.
- 3.2 For purpose of this Clause, "origin" means the place where the Goods are mined, grown or produced or from where the Services are supplied. Goods are produced when, through manufacturing, processing or substantial and major assembling of components, a commercially recognized product results that is substantially different in basic characteristics or in purpose or utility from its components.
- 3.3 The origin of Goods and Services is distinct from the nationality of the Bidder.

IB.4 Cost of Bidding

- 4.1 The Bidder shall bear all costs associated with the preparation and submission of its respective bid and the Owner will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

B. BIDDING DOCUMENTS

IB.5 Contents of Bidding Documents

- 5.1 In addition to Invitations for Bids, the Bidding Documents are those stated below, and should be read in conjunction with any Addendum issued in accordance with Clause IB.7.
 - 1. Instructions to Bidders with following Appendices to ITB:
 - Appendix-A to ITB Name of Eligible Countries
 - Appendix-B to ITB Evidence of Bidder's Capability
 - Appendix-C to ITB Determination of Responsiveness

2. Form of Technical Bid & Appendices to Bid
Appendices to Bid are the following:
 - (i) Appendix A: Scope of Services
 - (ii) Appendix B: Reimbursable Costs
 - (iii) Appendix C: Notice and Communication Protocols
 - (ii) Appendix D: Work/Services to be performed by Subcontractors
 - (vi) Appendix E: Method of Performing Works/Services
 - (vii) Appendix F: Proposed Organization
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3. Form of Price Bid & Schedule of Prices
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 - (i) Form of Bid Security
 - (ii) Form of Contract Agreement
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 - (iv) Form of Bank Guarantee/Bond for Advance Payment
5. General Conditions of Contract, Part-I (GCC)
6. Particular Conditions of Contract, Part-II (PCC)
7. Specifications (Technical Provisions)

5.2 The Bidders are expected to examine carefully the contents of all the above documents. Failure to comply with the requirements of bid submission will be at the bidders own risk. Pursuant to Clause IB.24, bids which are not substantially responsive to the requirements of the Bidding Documents will be rejected.

IB.6 Clarification of Bidding Documents

6.1 A prospective Bidder requiring any clarification(s) in respect of the Bidding Documents may notify the Owner in writing or by telex or fax at the address:

Project Management Office, National University of Technology, IJP, Road, Sector I-12,
Islamabad Islamic Republic of Pakistan

Tel: +92 51 5476768 - 234

Fax: +92 51 5476769, 5476767

Owner will examine the request for clarification of the Bidding Documents which it receives not later than twenty eight (28) days prior to the deadline for the submission of bids and if needed will issue the clarification/amendment of the Bidding Documents at least fourteen (14) days before the date of submission of Bids (without identifying the source of enquiry but including its description) to all prospective Bidders who have purchased the Bidding Documents.

IB.7 Amendment of Bidding Documents

- 7.1 At any time prior to the deadline for submission of bids, the Owner may, for any reason, whether at his own initiative or in response to a clarification requested by a prospective Bidder, modify the Bidding Documents by issuing addendum.
- 7.2 Any addendum thus issued shall be part of the Bidding Documents pursuant to Sub-Clause 5.1 hereof, and shall be communicated in writing to all purchasers of the Bidding Documents. Prospective Bidders shall acknowledge receipt of each addendum in writing to the Owner. The Bidder shall also confirm in the Form of Bid that the information contained in such addenda have been considered in preparing his bid.
- 7.3 To afford prospective Bidders reasonable time in which to take an addendum into account in preparing their bids, the Owner may at its discretion extend the deadline for submission of bids in accordance with Clause IB.19.

C. PREPARATION OF BIDS

IB.8 Language of Bid

- 8.1 The Bid prepared by the Bidder and all correspondence and documents related to the Bid, exchanged by the Bidder and the Owner shall be written in the English language, provided that any printed literature furnished by the Bidder may be written in any other language so long as accompanied by an English translation of its pertinent passages in which case, for purposes of interpretation of the Bid, the English translation shall govern.

IB.9 Documents Comprising the Technical & Price BIDS

- 9.1 The **Technical Bid** prepared by the Bidder shall comprise the following components:
 - (a) Covering Letter
 - (b) Form of Technical Bid duly filled, signed and sealed, in accordance with Clause IB.17.
 - (c) Appendices (A to C) to Instructions to Bidder duly filled and signed, in accordance with the instructions contained therein.
 - (d) Appendices (A to G) to Bid duly filled and signed, in accordance with the instructions contained therein.
 - (e) Bid Security furnished in accordance with Clause IB.15.
 - (f) Written confirmation (Power of Attorney) authorizing a person to Sign & submit the Bid on behalf of the Bidder in accordance with Clause IB 17.5.

- (g) Documentary evidence established in accordance with Clause IB.13 that the Bidder is eligible to bid and is qualified to perform the contract if its bid is accepted.
- (h) Documentary evidence established in accordance with Clause IB.14 that the Goods and Services to be supplied by the Bidder are eligible Goods and Services and conform to the Bidding Documents.
- (i) Copy of Articles of Incorporation or Constitution of the Bidder as a legal entity.
- (j) Valid Certificate of Registration from Pakistan Engineering Council (PEC).
- (k) Firms' Financial Situation i.e. (Annual Turnover Data etc.)
- (l) Similar O&M Experience (Contract Agreement & Completion Certificates)
- (m) Evidence of Names, qualifications and experience of the key technical personnel.
- (n) Information on any litigation or arbitration resulting from contracts completed or under execution by the bidder over the last ten (10) years. The information shall indicate the parties concerned, the matter of dispute, the disputed amounts and the result thereof (for each partner, in case of a joint venture).
- (o) General Conditions of Contract, Part-I (GCC)
- (p) Particular Conditions of Contract, Part-II (PCC)
- (q) Bid Security furnished in accordance with Clause IB.15.
- (r) Any other documents prescribed in Particular Conditions of Contract or Technical Provisions to be submitted with the bid.

9.2 The **Price Bid** prepared by the Bidder shall comprise the following components:

- (a) Form of Price Bid duly filled, signed and sealed, in accordance with Clause IB.17.
- (b) Schedule of Prices completed in accordance with Clauses IB.11 and 12.

NOTE: *All pages of bid must be signed and stamped by duly Authorized Representative.*

IB.11 Bid Prices

11.1 The Bidder shall fill up the Schedule of Prices attached to these documents indicating the unit rates and prices of the Works/Services to be performed under the Contract. Prices on the Schedule of Prices shall be entered keeping in view the instructions contained in the Preamble to the Schedule of Prices.

11.2 The Bidder shall fill in rates and prices for all items of the Works/Services described in the Schedule of Prices. Items against which no rate or price is entered by a Bidder will not be

paid for by the Owner when executed and shall be deemed covered by rates and prices for other items in the Schedule of Prices.

- 11.3 The Bidder's separation of price components in accordance with Sub-Clause 11.1 above, will be solely for the purpose of facilitating the comparison of bids by the Owner and will not in any way limit its right to contract on any of the terms offered.
- 11.4 Unless otherwise stipulated in the Conditions of Contract, prices quoted by the Bidder shall remain fixed during the Bidder's performance of the Contract and not subject to variation on any account. When the Bidders are required to quote only fixed price(s) a bid submitted with an adjustable price quotation will be treated as non-responsive and rejected, pursuant to Clause IB.24.
- 11.5 Any discount offered shall be valid for at least the period of validity of the bid. A discount valid for lesser period shall be considered null and void.
- 11.6 The Price quoted shall be inclusive of all costs, duties and taxes related to delivery of services and materials/ products as defined in the TORs/ Technical Specification and price Bid.

IB.12 Currencies of Bid and Payment

- 12.1 Prices shall be quoted in the following currencies:
 - (a) For Goods and Services which the Bidder will supply from within Pakistan, the prices shall be quoted in the Pak. Rupees.
 - (b) For Goods and Services which the bidder will supply from outside Pakistan, the prices shall be converted into Pak Rupees.
- 12.3 The currencies of payment shall be as stated in Particular Conditions of Contract.

IB.13 Documents Establishing Bidder's Eligibility and Qualifications

- 13.1 Pursuant to Clause IB.9, the Bidder shall furnish, as part of its bid, documents establishing the Bidder's eligibility to bid and its qualifications to perform the Contract if its bid is accepted.
- 13.2 The documentary evidence of the Bidder's eligibility to bid shall establish to the Owner's satisfaction that the Bidder, at the time of submission of its bid, is from an eligible source country as defined under Clause IB.2.
- 13.3 The documentary evidence of the Bidder's qualification to perform the Contract if its bid is accepted, shall establish to the Owner's satisfaction:

- (a) that, in the case of a Bidder offering to supply Goods under the Contract which the Bidder did not manufacture or otherwise produce, the Bidder has been duly authorized by the Goods manufacturer or producer to supply the Goods to Pakistan;
- (b) that the Bidder/Manufacturer has the financial, technical and production capability necessary to perform the Contract; and
- (c) that, in the case of a Bidder not doing business within Pakistan the Bidder is or will be (if successful) represented by an agent in Pakistan equipped and able to carry out the Supplier's maintenance, repair and spare parts stocking obligations prescribed by the Conditions of Contract and/or Technical Provisions.

13.4 (a) Bidder/Manufacturer must possess and provide evidence of the following experience:

- (i) The firm should have atleast 10 years' experience in the field of Operation & Maintenance of HVAC system.
- (ii) Must have experience of Operation & Maintenance Contracts of similar (VRF type) HVAC system and nearly similar Capacity in last 05 years. Their Contract Value alongwith copies of Contract/Work Order/ Completion Certificates must be provided.

The Bidder shall certify the capacity and capability for performing the Operation and Maintenance Works/Services, qualified man-power and production/delivery of quality materials according to bid specifications and delivery requirements. Bidder shall submit with the bid all necessary documentation in this regard. The Owner will have the right to verify the particulars regarding the plant and other related information furnished with the bid and the joint venture as well as the partners thereof shall be liable for disqualification in the event of any mis-statement/mis-representation on their part.

The Bidder shall furnish documentary evidence of qualification on the Form "Evidence of Bidder's Capability" (Appendix B to these Instructions)

13.5 Joint Venture

In order for a Joint Venture to qualify:

- (a) At least one of the partners of joint venture shall satisfy the relevant experience criteria specified in Sub-Clause 13.4(a) hereinabove.
- (b) All firms comprising the joint venture shall be legally constituted and shall meet the eligibility requirement of Sub-Clause 2.1 hereof.
- (c) All partners of the joint venture shall at all times and under all circumstances be liable jointly and severally to Owner for the execution of the entire Contract in

accordance with the Contract terms and conditions and a statement to this effect shall be included in the authorization mentioned under para (f) below as well as in the Form of Bid and Form of Contract Agreement (in case of a successful bidder).

- (d) The Form of Bid, and in the case of successful bidder, the Form of Contract Agreement, shall be signed so as to be legally binding on all partners.
- (e) One of the joint venture partners shall be nominated as being in-charge and this authorization shall be evidenced by submitting a power of attorney signed by legally authorized signatories of all the joint venture partners.
- (f) The partner-in-charge shall be authorized to incur liabilities, receive payments and receive instructions for and on behalf of any or all partners of the joint venture.
- (g) A copy of the agreement entered into by the joint venture partners shall be submitted with the bid stating the conditions under which it will function, its period of duration, the persons authorized to represent and obligate it and which persons will be directly responsible for due performance of the Contract and can give valid receipts on behalf of the joint venture, the proportionate participation of the several firms forming the joint venture, and any other information necessary to permit a full appraisal of its functioning. No amendments / modifications whatsoever in the joint venture agreement shall be agreed to between the joint venture partners without prior written consent of the Owner.

13.6 The Bidder shall propose, in order of his priority; plant, equipment or goods of not more than three Manufacturers. Owner at his own jurisdiction will evaluate the plant, equipment or goods of only one of such Manufacturers.

IB.14 Documents Establishing Goods' Eligibility and Conformity to Bidding Documents

14.1 Pursuant to Clause IB.9, the Bidder shall furnish, as part of its bid, documents establishing the eligibility and conformity to the Bidding Documents of all Goods and Services which the Bidder proposes to perform under the Contract.

14.2 The documentary evidence of the Goods and Services eligibility shall establish to the Owner's satisfaction that they will have their origin in an eligible source country as defined under Clause IB.3. A certificate of origin issued at the time of shipment will satisfy the requirements of the said Clause.

14.3 The documentary evidence of the Goods and Services' conformity to the Bidding Documents may be in the form of literature, drawings and data and shall furnish:

- (a) A detailed description of the Goods, essential technical and performance characteristics.
- (b) Complete set of technical information, description data, literature and drawings as required in accordance with Appendix A to Bid, Scope of Services. This will include but not to be limited to the following:

- (i) A sufficient number of drawings, photographs, catalogues, illustrations and such other information as is necessary to illustrate clearly the significant characteristics such as general construction dimensions and other relevant information about the Goods to be furnished.
 - (ii) Details of equipment and machinery with capacity.
 - (iii) Any other information which is required for evaluation purposes.
- (c) A clause-by-clause commentary on Technical Provisions, provided with the Bidding Documents, demonstrating the Goods' and Services' substantial responsiveness to those Specifications or a statement of deviations and exceptions to the provisions of the Technical Provisions.
- 14.4 For purpose of the commentary to be furnished pursuant to Sub-Clause 14.3(c) above, the Bidder shall note that standards for workmanship, material and equipment, and references to brand names or catalogue numbers, designated by the Owner in the Technical Provisions are intended to be descriptive only and not restrictive. The Bidder may substitute alternative standards, brand names and/or catalogue numbers in its bid, provided that it demonstrates to the Owner's satisfaction that the substitutions are substantially equivalent or superior to those designated in the Technical Provisions. Copies of the standards proposed by the Bidder other than those specified in the Bidding Documents shall be furnished.

IB.15 Bid Security

- 15.1 Each Bidder shall furnish, as part of his bid, a Bid Security in favor of “**NUTECH Tendering & Contracts**” in the amount of Pak. Rupees **400,000/- (Four hundred thousand only)** or an equivalent amount in a freely convertible currency valid for **148 days**.
- 15.2 The Bid Security shall be, at the option of the bidder, in the form of Deposit at Call or a Bank Guarantee issued by a Scheduled Bank in Pakistan or from a foreign bank duly counter guaranteed by a Scheduled Bank in Pakistan or an insurance company having atleast AA rating from PACRA/JCR in favour of the Employer valid for a period 28 days beyond the Bid Validity date i.e. the Bid Security shall remain valid for **148 days** (One Hundred & forty Eight) calendar days beyond the latest deadline for submission of Bids.
- 15.3 The Bid Security is required to protect the Owner against the risk of Bidder's conduct which would warrant the security's forfeiture, pursuant to Sub-Clause 15.7 hereof.
- 15.4 Any bid not accompanied by an acceptable Bid Security shall be rejected by the Owner as non-responsive, pursuant to Clause IB.24.
- 15.5 The bid securities of unsuccessful Bidders will be returned upon award of contract to the successful Bidder or on the expiry of validity of Bid Security whichever is earlier.
- 15.6 The Bid Security of the successful Bidder will be returned when the Bidder has furnished the required Performance Security, pursuant to Clause IB.34 and signed the Contract Agreement, pursuant to Clause IB.35.

- 15.7 The Bid Security may be forfeited:
- (a) if a Bidder withdraws his bid during the period of bid validity; or
 - (b) if a Bidder does not accept the correction of his Bid Price, pursuant to Sub-Clause 24.2 hereof; or
 - (c) in the case of a successful Bidder, if he fails to:
 - (i) furnish the required Performance Security in accordance with Clause IB.34, or
 - (ii) sign the Contract Agreement, in accordance with Clause IB.35.

IB.16 Validity of Bids

- 16.1 Bids shall remain valid for **one hundred twenty (120) days** after the date of bid opening as prescribed in Clause IB.19.
- 16.2 In exceptional circumstances prior to expiry of original bid validity period, the Owner may request the Bidders to extend the period of validity for a specified additional period which shall in no case be more than the original bid validity period. The request and the responses thereto shall be made in writing. A Bidder may refuse the request without forfeiture of his Bid Security. A Bidder agreeing to the request will be required to extend the validity of his Bid Security for the period of the extension, and in compliance with Clause IB.15 in all respects in which case, the Owner will be obligated to compensate the Bidders, upon substantiation for their increase in costs (if it is a fixed price bid).

IB.17 Format and Signing of Bid

- 17.1 The Proposal shall comprise of **two** envelopes. **Envelope-I** of the Proposal shall contain the Capability and Technical aspects of the Bidder. **Envelope-II** of the Proposal shall contain Bidder's Proposal Price.
- 17.2 Bidders are particularly directed that the amount entered on the Form of Bid shall be for performing the Contract strictly in accordance with the Bidding Documents.
- 17.3 All Appendices to Bid are to be properly completed and signed.
- 17.4 No alteration is to be made in the Form of Bid nor in the Appendices thereto except in filling up the blanks as directed. If any alteration be made or if these instructions be not fully complied with, the bid may be rejected.
- 17.5 Each Bidder shall prepare **one (1) Original and one (1) Copy**, of the documents comprising the bid as described in Clause IB.9 and clearly mark them "ORIGINAL" and "COPY" as appropriate. In the event of discrepancy between them, the original shall prevail.
- 17.6 The original and all copies of the bid shall be typed or written in indelible ink and shall be signed by a person or persons duly authorized to sign (in the case of copies, Photostats are

also acceptable). This shall be indicated by submitting a written Power of Attorney authorizing the signatory of the Bidder to act for and on behalf of the Bidder. All pages of the bid shall be initialed and stamped by the person or persons signing the bid.

- 17.7 The bid shall contain no alterations, omissions or additions, except to comply with instructions issued by the Owner, or as are necessary to correct errors made by the Bidder, in which case such corrections shall be initialed by the person or persons signing the bid.
- 17.8 Bidders shall indicate in the space provided in the Form of Bid their full and proper addresses at which notices may be legally served on them and to which all correspondence in connection with their bids and the Contract is to be sent.
- 17.9 Bidders should retain a copy of the Bidding Documents as their file copy.

D. SUBMISSION OF BIDS

IB.18 Sealing and Marking of Bids

18.1 Each bidder shall submit his bid as under:

- (a) Each bidder shall prepare by filling out the forms completely and without alterations **one (1) original** and **one (1) copy** of the bid and clearly mark them “ORIGINAL” and “COPY” as appropriate. In the event of discrepancy between them, the original shall prevail. The detail of the Envelopes according to Single Stage – Two Envelopes bidding procedure is given as under:
- | | | |
|------------------|---|------------------------------------|
| (i) Envelope-A | - | Original Technical Bid (Sealed) |
| (ii) Envelope-A | - | Copy of the Technical Bid (Sealed) |
| (iii) Envelope-B | - | Original Price Bid (Sealed) |
| (iv) Envelope-B | - | Copy of the Price Bid (Sealed) |
| (v) Bid | - | Envelope-A + Envelope-B (Sealed) |
- (b) The envelopes containing the ORIGINAL and COPIES will be put in one sealed envelope and addressed / identified as given in Sub- Clause 18.2 hereof.

18.2 The inner and outer envelopes shall;

- (a) be addressed to the Owner at the address given in Sub-Clause 6.1 heretofore.
(b) bear the Project name, Bid No. and Date of opening of Bid.
(c) provide a warning not to open before the time and date for bid opening.

18.3 The Bid shall be delivered at the address to Owner as given in Sub-Clause 6.1 heretofore.

18.4 In addition to the identification required in Sub-Clause 18.2 hereof, the inner envelope shall indicate the name and address of the Bidder to enable the bid to be returned unopened in case it is declared “late” pursuant to Clause IB.20.

18.5 If the outer envelope is not sealed and marked as above, the Owner will assume no responsibility for the misplacement or premature opening of the bid.

IB.19 Deadline for Submission of Bids

19.1 (a) Bids must be received by the Owner at the address specified in Sub-Clause 6.1 hereof, not later than **1430 hours on 30th September, 2020.**

(b) Bids with charges payable will not be accepted, nor will arrangements be undertaken to collect the bids from any delivery point other than that specified above. Bidders shall bear all expenses incurred in the preparation and delivery of bids. No claims for refund of each expenses will be entertained.

(c) Where delivery of a bid is by mail and the Bidder wishes to receive an acknowledgment of receipt of such bid, he shall make a request for such acknowledgment in a separate letter attached to but not included in the sealed bid package.

(d) Upon request, acknowledgment of receipt of bids will be provided to those making delivery in person or by messenger.

19.2 Bids submitted through telegraph, telex, fax or e-mail shall not be considered.

19.3 The Owner may, at his discretion, extend the deadline for submission of bids by issuing an addendum in accordance with Clause IB.7, in which case all rights and obligations of the Owner and the Bidders previously subject to the original deadline will thereafter be subject to the deadline as extended.

IB.20 Late Bids

20.1 (a) Any bid received by the Owner after the deadline for submission of bids prescribed in Clause IB.19 will be returned unopened to such Bidder.

(b) Delays in the mail, delays of person in transit, or delivery of a bid to the wrong office shall not be accepted as an excuse for failure to deliver a bid at the proper place and time. It shall be the Bidder's responsibility to determine the manner in which timely delivery of his bid will be accomplished either in person, by messenger or by mail.

IB.21 Modification, Substitution and Withdrawal of Bids

21.1 Any Bidder may modify, substitute or withdraw his bid after bid submission provided that modification, substitution or written notice of the withdrawal is received by the Owner prior to the deadline for submission of bids.

- 21.2 The modification, substitution or notice for withdrawal of any bid shall be prepared, sealed, marked and delivered in accordance with the provisions of Clause IB.18 with the outer and inner envelopes additionally marked “MODIFICATION”, “SUBSTITUTION” or “WITHDRAWAL”, as appropriate.
- 21.3 Withdrawal of a bid during the interval between the deadline for submission of bids and the expiration of the period of bid validity specified in the Form of Bid may result in forfeiture of the Bid Security pursuant to Clause IB.15.

E. BID OPENING AND EVALUATION

IB.22 Bid Opening

- 22.1 A committee consisting of nominated members by the Owner will open the bids, including withdrawals, substitution and modifications made pursuant to Clause IB.21, in the presence of Bidders’ representatives who choose to attend, at the time, date and location below:

Venue: PMO, NUTECH, IJP Road, Sector I-12, Islamabad.
Time: 1500 hours,
Date: 30th September, 2020.

The Bidders’ representatives who are present shall sign in a register evidencing their attendance.

- 22.2 Envelopes marked “MODIFICATION”, “SUBSTITUTION” or “WITHDRAWAL” shall be opened and read out first and the name of the Bidder shall be read out. Bids for which an acceptable notice of withdrawal has been submitted pursuant to Clause IB.21 shall not be opened.
- 22.3 Procuring Agency will determine whether each Bid (a) meets the eligibility and qualification criteria defined in IB Clause 13; (b) has been properly signed; (c) is accompanied by the required securities; and (d) is substantially responsive to the requirements of the bidding documents. Evaluation of Envelope-I shall be carried out to verify the eligibility, financial soundness, qualification, technical expertise based on past relevant experience, proposed key personnel experience, approach and methodology, management capability and other information submitted in forms.
- 22.4 The owner shall notify those Bidders whose Bid were considered non responsive to the Bidding Document, that their Price Bid will be returned after completing the selection processes. The Owner shall simultaneously notify in writing Bidders that have submitted substantially responsive bids, the date, time and location for opening the Price Bids. The opening date should allow Bidders sufficient time to make arrangements for attending the opening. Bidder attendance at the opening of Price Bids is optional.

- 22.5 Price Bids shall be opened publicly in presence of the Bidders' Representative who choose to attend. The Financial Proposal of the Bidders whose bids were found substantially responsive will then be inspected to confirm that they have remained sealed and unopened. These Financial Proposal shall be then opened, and the total prices read aloud and recorded.
- 22.6 The Bidder's name, Bid Prices, unit rates, any discount and price of any Alternate Proposal(s), bid modifications, substitutions and withdrawals will be recorded and signed by the committee of the owner as well as the bidder who may choose to attend. The Owner will record minutes of bid opening. Any Bid Price or discount which is not read out and recorded at bid opening will not be taken into account in the evaluation of bid.
- 22.7 Discounts offered for lesser period than the bid validity shall not be considered in evaluation.

IB.23 Clarification of Bids

- 23.1 To assist in the examination, evaluation and comparison of Bids the Owner may, at his discretion, ask the Bidder for a clarification of his Bid. The request for clarification and the response shall be in writing and no change in the price or substance of the Bid shall be sought, offered or permitted.

IB.24 Preliminary Examination & Determination of Responsiveness of Bids

- 24.1 Prior to the detailed evaluation of bids, pursuant to Clause IB.26:

(a) the Owner will examine the Bids to determine whether;

- (i) the Bid is complete and does not deviate from the scope,
- (ii) any computational errors have been made,
- (iii) required sureties have been furnished,
- (iv) the documents have been properly signed,
- (v) the Bid is valid till required period,
- (vi) the Bid prices are firm during currency of contract if it is a fixed price bid,
- (vii) completion period offered is within specified limits,
- (viii) the Bidder/Manufacturer is eligible to Bid and possesses the requisite experience,
- (ix) the Bid does not deviate from basic technical requirements, and
- (x) the Bids are generally in order.

(b) A bid is likely not to be considered, if;

- (i) it is unsigned,
- (ii) its validity is less than specified,
- (iii) it is submitted for incomplete scope of work,
- (iv) it indicates that Works/Services and materials to be supplied do not meet eligibility requirements,
- (v) it indicates that Bid prices do not include the amount of income tax.

(c) A bid will not be considered, if;

- (i) it is not accompanied with bid security,
- (ii) it is submitted by a Bidder who has participated in more than one bid,
- (iii) it is received after the deadline for submission of bids,
- (iv) it is submitted through fax, telex, telegram or email,
- (v) the Bidder refuses to accept arithmetic correction,
- (vi) it is materially and substantially different from the Conditions/ Specifications of the Bidding Documents.

24.2 Owner will examine the Bids to determine whether each Proposal is “substantially responsive” to the requirements of this Bidding Document based on a review of information provided in the Bidder’s Technical Proposal in accordance with the determination of Responsiveness as contained in Appendix–C to Instruction to Bidders.

A substantially responsive Bid or a Responsive Bid is one which conforms to all the terms, conditions, and specifications of this Bidding Document without “material deviation or reservation”.

A material deviation or reservation is one:

- i) which affects in any substantial way the scope, quality or performance of the Works/Services.
- ii) which limits in any substantial way, inconsistent with the Bidding Documents, the Owner’s rights or the Bidder’s obligations under the Contract; or
- iii) the rectification or acceptance of which deviation or reservation would affect unfairly the competitive position of other Bidders presenting “substantially responsive” Proposals

24.3 A Bid determined as substantially non-responsive will be rejected and will not subsequently be made responsive by the Bidder by correction of the non-conformity.

24.4 Any minor informality or non-conformity or irregularity in a Bid which does not constitute a material deviation may be waived by Owner, provided such waiver does not prejudice or affect the relative ranking of any Bidder.

IB.25 Conversion to Single Currency

25.1 To facilitate evaluation and comparison, the Owner will convert, all Bid Prices expressed in the amount in various currencies in which Bid Price is payable, to Pak. Rupees at the Telegraphic Transfer and Over Draft (TT&OD) composite (selling) exchange rates published/authorised by State Bank of Pakistan and applicable to similar transactions, on the date of the opening of Bids.

IB.26 Detailed Evaluation of Bids

26.1 The Owner will evaluate and compare only the bids previously determined to be substantially responsive pursuant to Clause IB.24 as per requirements given hereunder.

26.2 Evaluation and Comparison of Bids

- (a) Bids will be evaluated for each item and/or complete scope of work/Services.
- (b) **Basis of Price Comparison**
The prices will be compared on the basis of the Evaluated Bid Price pursuant to Para (e) herein below.
- (c) **Technical Evaluation**
It will be examined in detail whether the Goods offered by the Bidder comply with the Technical Provisions of the Bidding Documents. For this purpose, the Bidder's data submitted with the bid will be compared with the specific scope of Services prescribed by the Owner and technical features/criteria of the Goods detailed in the Technical Provisions. Other technical information submitted with the bid regarding the Scope of Work/Services will also be reviewed.
- (d) **Commercial Evaluation**
It will be examined in detail whether the bids comply with the commercial/contractual conditions of the Bidding Documents. It is expected that no major deviation/stipulation shall be taken by the Bidders.
- (e) **Evaluated Bid Price**
In evaluating the bids, the Owner will determine for each bid in addition to the Bid Price, the following factors (adjustments) in the manner and to the extent indicated below to determine the Evaluated Bid Price:
 - (i) making any correction for errors pursuant to Sub-Clause 24.2 hereof.
 - (ii) excluding Provisional Sums, if any, but including priced Daywork.
 - (iii) making an appropriate adjustment for any other acceptable variation or deviation.

26.3 Evaluation Methods

Pursuant to Sub-Clause 26.2, Para (e)(iii), following evaluation methods for price adjustments will be followed:

- (a) Price Adjustment for Completeness in Scope of Works/Services
 - (b) Price Adjustment for Technical Compliance
 - (c) Price Adjustment for Commercial Compliance
 - (d) Price Adjustment for Deviations in Terms of Payment
 - (e) Price Adjustment for Completion Schedule
-
- (i) Price Adjustment for Completeness in Scope of Works/Services

In case of omission in the scope of work/Services of a quoted item no price adjustment for the omitted item(s) shall be applied provided that the Bidder has mentioned in his bid that the same is covered in any other item.

The price adjustment shall not justify any additional payment by the Owner. The price(s) of omitted item(s) shall be deemed covered by other prices of the Schedule of Prices.

(ii) Price Adjustment for Technical Compliance

The cost of making good any deficiency resulting from technical non compliance will be added to the Corrected Total Bid Price for comparison purposes only. The adjustments will be applied taking the highest price quoted by other Bidders being evaluated in detail in their original Bids for corresponding item. In case of non availability of price from other Bidders, the price will be estimated by the Owner.

(iii) Price Adjustment for Commercial Compliance

The cost of making good any deficiency resulting from any quantifiable variations and deviations from the Bid Schedules and Conditions of Contract, as determined by the Owner will be added to the Corrected Total Bid Price for comparison purpose only. Adjustment for commercial compliance will be based on Corrected Total Bid Prices.

26.4 If the bid of the successful Bidder is seriously unbalanced in relation to the Owner's estimate of the cost of work to be performed under the Contract, the Owner may require the Bidder to produce detailed price analyses for any or all items of the Schedule of Prices to demonstrate the internal consistency of those prices with the construction methods and schedule proposed. After evaluation of the price analyses, the Owner may require that the amount of the Performance Security set forth in Clause IB.34 be increased at the expense of the successful Bidder to a level sufficient to protect the Owner against financial loss in the event of default of the successful Bidder under the Contract.

IB.28 Process to be Confidential

28.1 Subject to Clause 23 heretofore, no Bidder shall contact Owner on any matter relating to his Bid from the time of the Bid opening to the time the bid evaluation result is announced by the Owner. The evaluation result shall be announced at least ten (10) days prior to award of Contract. The announcement to all Bidders will include table(s) comprising read out prices, discounted prices, price adjustments made, final evaluated prices and recommendations against all the bids evaluated.

28.2 Any effort by a Bidder to influence Owner in the Bid evaluation, Bid comparison or Contract Award decisions may result in the rejection of his Bid. Whereas any Bidder feeling aggrieved may lodge a written complaint not later than fifteen (15) days after the announcement of the bid evaluation result; however, mere fact of lodging a complaint shall not warrant suspension of the procurement process.

F. AWARD OF CONTRACT

IB.29. Post-Qualification

29.1 The Owner, at any stage of the bid evaluation, having credible reasons for or *prima facie* evidence of any defect in supplier's or contractor's capacities, may require the suppliers or contractors to provide information concerning their professional, technical, financial, legal or managerial competence whether already pre-qualified or not:

Provided that such qualification shall only be laid down after recording reasons therefore in writing. They shall form part of the records of that bid evaluation report.

29.2 The determination will take into account the Bidder's financial, technical and production capabilities. It will be based upon an examination of the documentary evidence of the Bidder's qualification submitted under Appendix B to Instructions to Bidders "Evidence of Bidder's Capability" by the Bidder pursuant to Clause IB.13, as well as such other information as required under the Bidding Documents.

29.3 An affirmative determination will be a pre-requisite for award of the Contract to the lowest evaluated Bidder. A negative determination will result in rejection of that Bidder's bid in which event, Owner will proceed to undertake a similar determination of the next lowest evaluated Bidder's capabilities to perform the Contract satisfactorily.

29.4 Owner shall invite the Least Cost Bidder for finalizing the Contract Agreement through clarification meeting(s). Arriving on the agreement, the Least Cost Bidder shall submit Performance Guarantee on the prescribed format to Owner and in line with IB.34 and Clause 15.15 Particular Condition of Contract of this RFP. Then, the Contract Agreement shall be signed, bilaterally.

29.5 If any of above proceedings cannot be finalized with the Least Cost Bidder, the Owner shall invite the second lowest Bidders for same till finalization of the Contract Agreement.

IB.30 Award Criteria

30.1 Subject to Clause IB.32, the Owner will award the Contract to the Bidder whose bid has been determined to be substantially responsive to the Bidding Documents and who has offered the lowest evaluated Bid Price, provided that such Bidder has been determined to be eligible in accordance with the provisions of clause IB.2 qualified to satisfactorily perform the Contract in accordance with the provisions of Clause IB.29.

IB.31 Owner's Right to Vary Quantities

31.1 Owner reserves the right at the time of award of Contract to increase or decrease by upto 15% the quantity of Goods and Services specified in the Schedule of Prices without any change in the unit price or other terms and conditions.

IB.32 Owner's Right to Accept any Bid and to Reject any or all Bids

32.1 Notwithstanding Clause IB.30, the Owner reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids, at any time prior to award of Contract,

without thereby incurring any liability to the affected Bidders or any obligation to inform the affected Bidders of the grounds for the Owner's action except that the grounds for its rejection shall upon request be communicated, to any Bidder who submitted a bid, without justification of grounds. Rejection of all bids shall be notified to all Bidders promptly.

- 32.2 No negotiations with the Bidder having been evaluated as lowest responsive or any other Bidder shall be permitted. However, the Owner may have clarification meeting(s) to get clarify any item(s) in the bid evaluation report.

IB.33 Notification of Award

- 33.1 Prior to expiration of the period of bid validity prescribed by the Owner, the Owner will notify the successful Bidder in writing ("Letter of Acceptance") that his bid has been accepted. This letter shall name the sum which the Owner will pay the Contractor in consideration of the execution and completion of the Works/Services by the Contractor as prescribed by the Contract (hereinafter and in the Conditions of Contract called the "Contract Price").
- 33.2 The Letter of Acceptance and its acceptance by the Bidder will constitute the formation of the Contract, binding the Owner and the Bidder till signing of the formal Contract Agreement.
- 33.3 Upon furnishing by the successful Bidder of a Performance Security, the Owner will promptly notify the other Bidders that their bids have been unsuccessful and return their bid securities.

IB.34 Performance Security

- 34.1 The successful Bidder shall furnish to the Owner a Performance Security in the form and the amount stipulated in the Conditions of Contract within a period of twenty eight (28) days after the receipt of Letter of Acceptance.
- 34.2 Failure of the successful Bidder to comply with the requirements of Sub-Clause IB.34.1 or Clause IB.35 or Clause IB.43 shall constitute sufficient grounds for the annulment of the award and forfeiture of the Bid Security.

IB.35 Signing of Contract Agreement

- 35.1 Within fourteen (14) days from the date of furnishing of acceptable Performance Security under the Conditions of Contract, the Owner will send to the successful Bidder the Form of Contract Agreement provided in the Bidding Documents, duly filled in and incorporating all agreements between the parties for signing and returning it to the Owner.
- 35.2 The formal Agreement between the Owner and the successful Bidder shall be executed within fourteen (14) days of the receipt of such Form of Contract Agreement by the successful Bidder from the Owner.

G. ADDITIONAL INSTRUCTIONS

IB.36 Instructions not Part of Contract

36.1 Bids shall be prepared and submitted in accordance with these Instructions which are provided to assist Bidders in preparing their bids, and do not constitute part of the Bid or the Contract Documents.

IB.37 Contract Documents

37.1 The Documents which will be included in the Contract are listed in the Form of Contract Agreement set out in these Bidding Documents.

IB.38 Sufficiency of Bid

38.1 Each Bidder shall satisfy himself before Bidding as to the correctness and sufficiency of his Bid and of the rates and prices entered in the Schedule of Prices. Except insofar as it is otherwise expressly provided in the Contract, the rates and prices entered in the Schedule of Prices shall cover all his obligations under the Contract and all matters and things necessary for the proper completion of the Works/Services.

IB.39 One Bid per Bidder

39.1 Each Bidder shall submit only one bid either by himself, or as a partner in a joint venture. A Bidder who submits or participates in more than one bid (other than alternatives pursuant to Clause IB.41) will be disqualified and bids submitted by him shall not be considered for evaluation and award.

IB.40 Bidder to Inform Himself

40.1 The Bidder is advised to obtain for himself at his own cost and responsibility all information that may be necessary for preparing the bid and entering into a Contract for execution of the Works/Services. This shall include but not be limited to the following:

- (a) inquiries on Pakistani Income Tax/Sales Tax to the Commissioner of the Income Tax and Sales Tax, Islamabad, Pakistan.
- (b) Inquiries on customs duties and other import taxes, to the concerned authorities of Customs and Excise Department.
- (c) Information regarding port clearance facilities, loading and unloading facilities, storage facilities, transportation facilities and congestion at Pakistan seaports.
- (d) Investigations regarding transport conditions and the probable conditions which will exist at the time the Goods will be actually transported.

IB.41 Alternate Proposals by Bidder

- 41.1 Any Bidder should consider that he can offer any advantage to the Owner by a modification to the designs, specifications or other conditions, he may, in addition to his bid to be submitted in strict compliance with the Bidding Documents, submit any Alternate Proposal(s) containing (a) relevant design calculations; (b) technical specifications; (c) proposed construction methodology; and (d) any other relevant details / conditions, provided always that the total sum entered in the Form of Bid shall be that which represents complete compliance with the Bidding Documents.
- 41.2 Alternate Proposal(s), if any, of the lowest evaluated responsive Bidder only may be considered by the Owner as the basis for the award of Contract to such Bidder.

IB.42 Local Conditions

- 42.1 Bidder must verify and supplement by his own investigations the information about site and local conditions. However, Owner will assist the Bidder wherever practicable and possible.

IB.42 Pre-Bid Meeting

The bidders are asked to attend the meeting where they will be guided regarding preparation of the bids in the light of Instructions to Bidders.

Venue: PMO, NUTECH, IJP Road, Sector I-12, Islamabad.
Time: 1130 hours,
Date: 22nd September, 2020.

IB.43 Integrity Pact

The Bidder shall sign and stamp the Integrity Pact provided at Appendix-G to Bid in the Bidding Document for all Federal Government procurement contracts exceeding Rupees ten (10) million. Failure to provide such Integrity Pact shall make the bid non-responsive.

Note: -

Contractor shall provide details of spare parts required for annual servicing, major over hauling and or breakdown maintenance to NUTECH for procurement. Spare parts for regular / routine monthly inspections will be provided by the Contractor at his own cost. The contractor must visit the site and inspect all the equipment before submission of their proposals. Owners approval is must before procuring any spare, store etc. from eligible countries.

DATA SHEET

IB.1 SCOPE OF BID

National University of Technology IJP Road, Sector I-12, Islamabad (hereinafter called “the Owner”) wishes to receive bids for the following scope of works/services:

“Operation & Maintenance of 614 Ton VRF Type HVAC System and 80 Ton Package Unit installed in Administration and Academic Blocks at National University of Technology, Islamabad”

Tender no. 106/PMO/O&M/01

Bidders must quote for the complete scope of works/Services. Any bid covering partial scope of work/services will be rejected as non-responsive, pursuant to Clause IB.24.

IB.2 Eligible Bidders

2.1 Bidding is open to all firms and persons meeting the following requirements:

- e. Each individual bidder must have valid registration by PEC.
- f. Must be registered with FBR having valid NTN.
- g. Each bidder must have valid PEC Registration in **Category O-4** with specialization in Code **ME-01**.
- h. Bidder meeting the above said conditions 11.2(a),(b) & (c) will be considered for further evaluation and will be qualified if it meets the following Criteria:
 - viii) The firm should have atleast 10 years’ experience in the field of Operation & Maintenance of HVAC system.
 - ix) Must have experience of Operation & Maintenance Contracts of similar (VRF type) HVAC system and nearly similar Capacity in last 05 years. Their Contract Value alongwith copies of Contract/Work Order must be provided.
 - x) Must have office in Islamabad / Rawalpindi.
 - xi) Proof of Financial Stability and Bank Certificate of Financial soundness.
 - xii) Must have well qualified staff having min 5 years’ experience in the field of VRF type HVAC system.
 - xiii) Past or present performance of the bidder as contractor is satisfactory with all executing agency and the contractor has not been blacklisted earlier by any government agency / authority / organization.
 - xiv) The Firm shall certify the capacity and capability for performing the Operation and Maintenance Works / Services, qualified man-power and production/delivery of quality materials.

IB.15 Bid Security

15.1 Each Bidder shall furnish, as part of his bid, a Bid Security in favor of “NUTECH Tendering & Contracts” in the amount of Pak. Rupees **400,000/- (Four hundred thousand only)** or an equivalent amount in a freely convertible currency valid for **148 days**.

IB.16 Validity of Bids

16.1 Bids shall remain valid for **one hundred twenty (120) days** after the date of bid opening as prescribed in Clause IB.19.

IB.18 Sealing and Marking of Bids

18.1 Each bidder shall submit his bid as under:

(a) Each bidder shall prepare by filling out the forms completely and without alterations **one (1) original** and **one (1) copy** of the bid and clearly mark them “ORIGINAL” and “COPY” as appropriate. In the event of discrepancy between them, the original shall prevail. The detail of the Envelopes according to **Single Stage – Two Envelopes** bidding procedure is given as under:

(i) Envelope-A	-	Original Technical Bid (Sealed)
(ii) Envelope-A	-	Copy of the Technical Bid (Sealed)
(iii) Envelope-B	-	Original Price Bid (Sealed)
(iv) Envelope-B	-	Copy of the Price Bid (Sealed)
(v) Bid	-	Envelope-A + Envelope-B (Sealed)

NOTE: *Technical and Price Bids must be placed in separate Envelopes and Mark them as mentioned above. Documents to be attached in Technical & Price bid are clearly described and enlisted in **IB.9** (Documents Comprising the Technical & Price BIDS).*

IB.19 Deadline for Submission of Bids

19.1 Bids must be received by the Owner at the address specified in Sub-Clause 6.1 hereof, not later than **1430 hours on 30th September, 2020**.

IB.22 Bid Opening

22.1 A committee consisting of nominated members by the Owner will open the bids, including withdrawals, substitution and modifications made pursuant to Clause IB.21, in the presence of Bidders’ representatives who choose to attend, at the time, date and location below:

Venue: PMO, NUTECH, IJP Road, Sector I-12, Islamabad.
Time: **1500 hours,**
Date: **30th September, 2020.**

The Bidders' representatives who are present shall sign in a register evidencing their attendance.

IB.42 Pre-Bid Meeting

The bidders are asked to attend the meeting where they will be guided regarding preparation of the bids in the light of Instructions to Bidders.

Venue: PMO, NUTECH, IJP Road, Sector I-12, Islamabad.

Time: **1130 hours,**

Date: **22nd September, 2020.**

**Appendix A to
Instructions to Bidders**

NAME OF ELIGIBLE COUNTRIES

All countries with which Pakistan entertains Commercial relationship are eligible countries, as notified eligible by Government of Pakistan GOP.

EVIDENCE OF BIDDER'S CAPABILITY

[Note: Bidders to provide the following information with the bid separately and indicate herein its references where this information is available.]

Sr.No.	Information to be Supplied	Bid References
1.	Name of bidder, business address and country of incorporation.	
2.	Type of firm whether individually owned, partnership, corporation or joint venture and the names of its owners or partners.	
3.	Full description of plant and equipment owned and/or to be hired or leased the annual manufacturing capacities of various items made therein.	
4.	Detailed description of the quality control testing and research facilities.	
5.	Names, qualifications and experience of the key technical personnel.	
6.	The time since the Contractor/Operator has been in this business and the time since he has been doing work of similar nature.	
7.	Reference lists of similar works done/services performed by the bidder in its country and abroad indicating the name of customer, description including (Letter of Acceptance & Completion Certificate) and quantity of product, year of supply and the approximate value.	
8.	Details of projects under execution and future contractual commitments (for each partner, in case of a joint venture).	
9.	Banking reference, names of banks and addresses may be given to whom reference	

Sr.No.	Information to be Supplied	Bid References
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regarding financial capability of the bidder may be made, with authority to make inquiries from the bidder's bankers and clients regarding any financial and technical aspects (for each partner, in case of a joint venture).

10. Information on any litigation or arbitration resulting from contracts completed or under execution by the bidder over the last ten (10) years. The information shall indicate the parties concerned, the matter of dispute, the disputed amounts and the result thereof (for each partner, in case of a joint venture).

DETERMINATION OF RESPONSIVENESS

This Appendix enlists the procedure to determine responsiveness of bid but responsiveness of bid is not limited to these questionnaire. For a bid to be substantially responsive, the answers to all the questions in the following table should be YES:

Sr.#	Responsiveness Measure	Yes	No	Remarks
1	Has the Proposal contained in sealed Envelope for technical and Price Bids?			
2	Has the Bidder submitted complete Proposal and does not have material deviation in conformity to Bidding document?			
3	Have the documents been properly signed?			
4	Form of Technical Bid provided?			
5	Does bidder comply with IB 2 (Eligibility)?			
6	Is the validity date of proposal in accordance with that required?			
7	Is Power of Attorney to Sign & Submit the Bid provided?			
8	Is Bidder's Relevant Experience and Qualification provided?			
9	Is Bidder's Proposed Key Personnel mentioned?			
10	Is Certified Financial statements of Account provided?			
11	Is Bidder's Equipment Capabilities provided?			
12	Is Bidder's Methodology for O&M Services provided?			
13	Is Manufacturer authorization for supply of goods provided?			
14	Is the amount and validity of Bid security in accordance with that prescribed?			
15	Is the Bank issuing Bid Security a Scheduled Bank of Pakistan?			
16	Does bidder comply with IB 2, IB 9 and IB 13?			
17	Is National Tax Number of firm Provided?			
18	Is Affidavit on stamp paper that firm is not blacklisted by any Government Agency or any autonomous body provided?			

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FORM OF BID AND APPENDICES TO BID

Description

Technical Envelope (Envelope I)

Form of Technical Bid

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Appendix **B** to Bid: Reimbursable Costs

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Appendix **D** to Bid: Work/Services to be Performed by Subcontractors

Appendix **E** to Bid: Method of Performing Works/Services

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Financial Envelope (Envelope II)

Form of Price Bid

SCHEDULE OF PRICES

(LETTER OF OFFER)
FORM OF TECHNICAL BID

No. _____ and Date _____:

Director Project Management
National University of Technology
IJP Road, Sector I-12
ISLAMABAD

The undersigned

Last Name: _____

First Name: _____

Title / Position: _____

Company [_____ Bidder _____] (the “Lead Bidder”)

Acting as the legal representative of [_____ Bidder _____] (the “Bidder”) pursuant to the [power of attorney], located at the following address:

Address: _____

Telephone: _____

Email: _____

hereby certify, represent, warrant and agree, on behalf of the Bidder that:

1. This Proposal Letter, along with all its attachments (Appendices to IB and Appendices to Bid and other requirements mentioned in preparation of Technical Bid) hereto, forms our Proposal and is submitted pursuant to the Request of Proposals dated [_____] issued by the National University of Technology (NUTECH) as amended, modified, supplemented or varied through [list all Addenda with title and date], [list all clarifications with title and date] issued by NUTECH (the “Bidding Document”) for Operation & Maintenance of HVAC System at National University of Technology, Islamabad.

2. Having examined and being fully familiar with all the provisions of the Bidding Document (including its forms and attachments and all the above Addenda), receipt of which is hereby duly acknowledged, and having evaluated, following our own studies undertaken under our responsibility, the nature and scope of the contractual obligations to be executed, the Contract Agreement and any other regulation associated to the Project or its execution, we hereby offer:

- a. to undertake the O&M Services in compliance with all requirements of the Bidding Document;
- b. at a Bid Price in Rupees as offered in Envelope-II

3. We hereby agree that this Bid constitutes our firm, irrevocable offer that is binding upon us and will remain valid for a period of one hundred twenty (120) Days from the Deadline for Submission of Bids (the “Bid Validity Period”), except as such period may be extended by us at the request of NUTECH.

4. We have provided and attached hereto a Bid Security in the form of Pay Order/Demand Draft/Banker’s Cheque No. [] dated [] issued by [name of issuing bank] in the amount of Pak. Rs () (state amount in words) (Pak. Rs [] (show amount in figure) in accordance with the form of Bid Security.

5. We certify that (i) the information submitted as part of this Bid is complete and accurate (ii) the Proposal has been submitted in the legal name of the Bidder [consortium whose members] [who] will be bound to this Proposal and to execution of O&M Services, (iii) we accept the documents, terms and conditions and disclaimers of the Bidding documents.

6. We understand the criteria and process for evaluation of Proposals and selection of Successful Bidder established in the Bidding Document and acknowledge that NUTECH is not obligated to accept our Bids and may at any time reject our Bid at its sole discretion.

7. We commit ourselves, if we were to be selected as the Qualified Bidders, to extend the validity of our Bid and our Bid Security until the issue of the Letter of Invitation (LOI) to the Successful Bidder.

8. We commit ourselves, if we are invited by NUTECH to do so, to clarify our Bid and finalize the Contract Agreement as specified in the Bidding Document.

The Lead Bidder, duly authorized to execute the Proposal for and on behalf of the Bidder [consortium]:

Authorized signature and seal
Date

(Address)

SCOPE OF SERVICES

Operator shall perform each of the services listed in this appendix A in accordance with the standards required under section 3.2 of the agreement.

(I) Programs

In addition to those responsibilities described in the Agreement, Operator shall be responsible for the establishment and implementation of the following programs, standards and procedures.

- A. *The program for communicating and cooperating with Owner and governmental agencies.*
- B. *The Operation & Maintenance standards for conduct of operations, safely, security conduct of maintenance, housekeeping, material condition, and records management.*
- C. *The program for preparing supporting documentation, meter readings and information necessary to accurately prepare, justify and support monthly invoices in accordance with the terms and conditions of the O&M Agreements.*
- D. *The HVAC System Operation program which provides the requirements for:*
 - 1. *Monitoring of HVAC Performance*
 - 2. *Monthly HVAC Performance Calculations and Report*
 - 3. *Shift Routines / Operating Practices*
 - 4. *Control of HVAC System*
 - 5. *Operator Qualifications*
 - 6. *Operating Procedures*
 - 7. *Status of Major Equipment*
- E. *The maintenance program which provides the requirements for:*
 - 1. *Maintenance Planning*
 - 2. *Maintenance Procedures*
 - 3. *Preventive Maintenance*
 - 4. *Predictive Maintenance*
- F. *The diagnostic testing program for maintaining the HVAC System including component level testing.*
- G. *The housekeeping / cleanliness program which provides the requirements for:*
 - 1. *Hazardous Material Control*
 - 2. *General HVAC Cleanliness*
 - 3. *Equipment Condition Inspections*
- H. *The problem assessment program which provides the procedure for determining the cause(s) of HVAC System operational or equipment failures and preventing future failures through recommended improvements.*

- I. *The records management program for maintaining the traceability and documentation of HVAC System operation & maintenance.*
- J. *The Project safety program which provides the requirements for establishing:*
 - 1. *Safety Monitoring*
 - 2. *Accident Prevention Program*
 - 3. *Accident Reporting*
- K. *Monthly and yearly reporting of Operation & Maintenance of HVAC system to Owner.*

(II) Specific Requirements

Operator's scope of Services is based on Operation & Maintenance of 614 Ton VRF Type HVAC System and 80 Ton Package Unit HVAC installed in Administration and Academic Blocks at National University of Technology, Islamabad and is responsible for:

- A. *Providing such trained personnel as is reasonably necessary to operate and maintain the HVAC System and provide the Services set forth in this Agreement.*
- B. *Planning and managing on-site operations and maintenance activities, including:*
 - 1. *Assuring that operational goals and operating plans are consistent with NUTECH HVAC requirements.*
 - 2. *Assuring that the HVAC system is operated in accordance with this Agreement and in a safe, reliable, efficient, and prudent manner.*
 - 3. *Assuring that operations and maintenance personnel are trained and qualified for their assigned responsibilities and tasks, and that such qualification is maintained.*
 - 4. *Managing and controlling costs consistent with budget requirements.*
 - 5. *Planning, scheduling and managing work and maintenance activities.*
 - 6. *Defining and documenting operational technical requirements.*
 - 7. *Defining and delineating responsibilities between Operator and Owner and identifying reporting requirements.*
 - 8. *Maintaining a current inventory of materials and procuring all services, spare parts, operational materials, consumables, tools and shop equipment, or any other items or materials required to operate or maintain the HVAC System. Operator will identify required items, cost, quantity and need date. The cost of any item or service shall be reimbursed by Owner.*
 - 9. *Cost of Minor spares including Lubricants, Consumables and overhauling will be borne by contractor.*

10. *Controlling outages, both planned and unplanned, by using detailed and integrated plans and schedules, and resource management.*
11. *Maintaining a file of preplanned outage-related work to allow for efficient use of any forced outage downtime.*
12. *Promptly notifying Owner in writing of any teardowns and overhauls of major equipment/ Spare or capital improvements that Operator believes are necessary or advisable together with a proposed schedule for completing such repairs or improvements.*
13. *The O&M Contractor shall provide suitably qualified, experienced and competent personnel. The O&M Contractor shall provide to the Owner evidence of the competence including details of previous experience and qualifications of the key staff, over the period of Contract.*
14. *The O&M Contractor shall at all-time use all reasonable efforts to maintain strict discipline and good order among its personnel.*
15. *The O&M Contractor shall be responsible for the selection, hiring, assigning and supervising its personnel. The Owner in its reasonable discretion and in consultation with the O&M Contractor may require the O&M Contractor to remove and replace any of such personnel at the expenses of the O&M Contractor. The O&M Contractor shall replace any key staff so removed promptly with other suitably qualified, experienced and competent person or persons duly approved by the Owner.*
16. *The O&M Contractor shall not reduce the number of the key staff or change the identity of the persons performing such functions without the prior written consent of the Owner, which consent shall not be unreasonably withheld or delayed.*
17. *Performing such other tasks which Operator deems appropriate, from time to time, in connection with operation of the project.*
18. *Performing such other tasks and services which Owner may reasonably request from time to time in connection with operation of the Project.*
19. *The contractor will ensure the inventory of required spares i.e. (PC/ IPM cards, mother board, copper pipe, Refrigerant gas cylinders, welding equipment etc) by maintaining the store at NUTECH.*
20. **Two (2) HVAC Technicians (specialized in VRF type System) of the Operator shall be present at the NUTECH site from 9:00 am to 5:00 pm from Monday to Friday and one (1) HVAC Engineer (specialized in VRF type System) will be available on call upon ‘as and when required’ basis for Operation and Maintenance of HVAC system during the course of this Contract and Maintenance will be done immediately whenever required. For replacement of major spare, maximum time allowed will be 5 days for local spares and 10 days for spares to be imported.**

REIMBURSABLE COSTS

A. Reimbursable Cost items shall be paid to Operator in accordance with the requirements of Clauses 5 and 7 or 8 of GCC, as required. Reimbursable Costs may include the following:

1. Spare and replacement parts
2. Refrigerant Gas refilling

All Services by Contractor/Operator that support Project activities and all Reimbursable Costs shall be approved by Owner, through the Annual Budget or otherwise, prior to implementation by Contractor/Operator.

NOTICES AND COMMUNICATION PROTOCOLS

[This Appendix of notification and communication protocols should incorporate any processes beyond those defined in Sub-Clause 15.7 of Particular Conditions of Contract for Notices required by the Agreement and for other communications between Owner and Operator. The protocols should include primary and alternate contact information. The protocols should also define the procedures for Operator's communication and dealings with certain third parties on Owner's behalf, as may be required under various other Project Agreements or if the Operator is required to act as agent for the Owner.]

WORKS/SERVICES TO BE PERFORMED BY SUBCONTRACTORS

The Bidder will do the work with his own forces except the work listed below which he intends to sub-contract.

<u>Items of Work</u> <u>/Services to be</u> <u>Sub-Contracted</u>	<u>Name and address of</u> <u>Sub-Contractor</u>	<u>Statement of similar</u> <u>works/services previously</u> <u>executed(attach evidence)</u>
---	---	---

Note:

1. No change of Sub-Contractor shall be made by the Bidder without prior approval of the Owner.
2. The truthfulness and accuracy of the statement as to the experience of Sub-Contractors is guaranteed by the Bidder. The Owner's judgment shall be final as to the evaluation of the experience of Sub-Contractors submitted by the bidder.
3. Statement of similar works/Services shall include description, location & value of work/services, year completed and name & address of the clients.

METHOD OF PERFORMING THE WORKS/SERVICES

The Bidder is required to submit a narrative outlining the method of performing the Works/Services. The narrative should indicate in detail and include but not be limited to:

- The sequence and methods in which he proposes to carry out the Works/Services, including the number of shifts per day and hours per shift, he expects to work.
- A list of all major items of constructional and erection plant, tools and vehicles proposed to be used in carrying out the Works/Services at Site, including number of each kind, make, type, capacity of all equipment, working condition, which shall be deployed by him for Civil Work and Erection, Testing and Commissioning of the Works, in sufficient detail to demonstrate fully that the equipment will meet all the requirements of the Technical Provisions.
- The procedure for installation of equipment and machinery and transportation of equipment and materials to the site.
- Details regarding mobilization in Pakistan, the type of facilities including personnel accommodation, office accommodation, provision for maintenance and for storage, communications, security and other services to be used.
- Organization chart indicating head office & field office personnel involved in management, supervision and engineering of the Works to be done and Services to be performed under the Contract.

PROPOSED ORGANISATION

1. The Bidder shall submit the proposed organizational structure of Head office and Site office for performing O&M services in the form of an organizational chart and description of responsibilities including their contact numbers and email address.

(INTEGRITY PACT)

**DECLARATION OF FEES, COMMISSION AND BROKERAGE ETC.
PAYABLE BY THE SUPPLIERS OF GOODS, SERVICES & WORKS IN
CONTRACTS WORTH RS. 10.00 MILLION OR MORE**

Contract No: 106/PMO/O&M/01 Contract Value: _____

Dated: _____ Contract Title: Operation & Maintenance of HVAC System at National University of Technology, Islamabad

M/s _____ hereby declares that it has not obtained or induced the procurement of any contract, right, interest, privilege or other obligation or benefit from Government of Pakistan or any administrative sub division or agency thereof or any other entity owed or controlled it (GoP) through any corrupt business practice.

Without limiting the generality of the foregoing _____ represents and warrants that it has fully declared the brokerage, commission, fees etc paid or payable to any one and not given or agreed to give and shall not give or agree to give to anyone within or outside Pakistan either directly or indirectly through any natural or juridical person, including its affiliate agent, associate, broker, consultant, director, promoter shareholder, sponsor or subsidiary any commission, gratification, bribe finder’s fee or kickback, whether described as consultation fee or otherwise, with the object of obtaining or including the procurement of a contract, right, interest, privilege or other obligation or benefit in whatsoever from GoP expect that which has been expressly declared pursuant hereto.

M/s _____ certified that it has made and will make full disclosure of all agreements and arrangements with all persons in respect of or related to the transaction with GoP and has not taken any action nor will not take any action to circumvent the above declaration, representation or warranty.

M/s _____ accepts full responsibility and strict liability for making any false declaration, not making full disclosure, misrepresenting facts or taking any action likely to defeat the purpose of this declaration, representation and warranty. It agrees that any contract, right, interest, privilege or other obligation or benefits obtained or procured as aforesaid shall, without prejudice to any other right or remedies available to GoP under any law, contract or other instrument, be avoidable at the option of GoP.

Notwithstanding any rights and remedies exercised by GoP to this regard M/s _____ agrees to indemnify GoP for any loss or damage incurred by it on account of its corrupt business practices and further pay compensation to GoP in an amount equivalent to ten time the sum of any commission, gratification, bribe, finder’s fee or kick back given by M/s _____ as aforesaid for the purpose of obtaining or inducing the procurement of any contract, right, interest, privilege or other obligation or benefit in whatsoever from GoP.

Contractor: Employer:

Signature: Signature:
[Seal] [Seal]

Note: The bidder must fill in its name, wherever required, while filling other blanks and submit it with its Technical Bid after signing by the authorized person and affixing its seal.

FORM OF PRICE BID
(LETTER OF OFFER)

Bid Reference No. _____

(Name of Works/Services)

To:

Gentlemen,

1. Having examined the Bidding Documents including Instructions to Bidders, Conditions of Contract, Specifications, Drawings, Schedule of Prices and Addenda Nos. _____ for the execution of the above-named Works/Services, we, the undersigned, being a company doing business under the name of and address _____

_____ and being duly incorporated under the laws of _____ hereby offer to execute and complete such Works/Services and remedy any defects therein in conformity with the said Documents including Addenda thereto for the

Total Bid Price of Rs. _____ (In Figures)

(Rupees _____) (In words)
or such other sum as may be ascertained in accordance with the said Documents.

2. We understand that all the Schedules attached hereto form part of this Bid.
3. We undertake, if our Bid is accepted, to commence the Works/Services and to deliver and complete the whole of the Works/Services comprised in the Contract within the time stated in the Conditions of Contract (PCC 1.2).
4. We agree to abide by this Bid for the period of _____ days from the date fixed for receiving the same and it shall remain binding upon us and may be accepted at any time before the expiration of that period.
5. Unless and until a formal Agreement is prepared and executed, this Bid, together with your written acceptance thereof, shall constitute a binding contract between us.
6. We undertake, if our Bid is accepted, to execute the Performance Security referred to in Sub-Clause 15.15 of Conditions of Contract for the due performance of the Contract.

7. We understand that you are not bound to accept the lowest or any Bid you may receive.
8. We do hereby declare that the Bid is made without any collusion, comparison of figures or arrangement with any other Bidder making a Bid for the Works/Services.
9. We confirm, if our Bid is accepted, that all partners of the joint venture shall be liable jointly and severally for the execution of the Contract and the composition or the constitution of the joint venture shall not be altered without the prior consent of the Owner. (Please delete in case of Bid from a single firm).

Dated this _____ day of _____ 20 _____

Signature _____ in the capacity of _____ duly

authorized to sign bids for and on behalf of _____
(Name of Bidder in Block Capitals)
(Seal)

Address

Witness:

(Signature) _____

(Name) _____

Address: _____

Occupation _____

SCHEDULE OF PRICES

(SUMMARY OF BID PRICES)

Item #	Description	Unit	Quantity	Rate per month (Rs.)	Amount (Rs.)
A	Monthly Operation & Maintenance Fee (including salaries of the staff deployed from 09:00 am to 05:00 pm (Monday to Friday))	Per Month	24		

Amount In Words (_____)

Note: Total Amount, should be mentioned in ***Form of Price Bid.***

STANDARD FORMS

STANDARD FORMS

- Form of Bid Security
(Bank Guarantee)
- Form of Contract Agreement
- Form of Performance Security
(Bank Guarantee/Insurance Bond)
- Form of Bank Guarantee for Advance Payment

FORM OF BID SECURITY
(Bank Guarantee)

Guarantee No. _____

Executed on _____

Expiry date _____

Name of Guarantor (Bank) with address: _____
(Scheduled Bank in Pakistan)

Name of Principal (Bidder) with address: _____

Penal Sum of Security (express in words and figures): _____

Bid Reference No. _____ Date of Bid Opening _____

KNOW ALL MEN BY THESE PRESENTS, that in pursuance of the terms of the Bid and at the request of the said Principal, we the Guarantor above-named are held and firmly bound unto the _____, (hereinafter called the "Owner") in the sum stated above, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the Principal has submitted the accompanying Bid numbered _____ dated _____ as above for _____ (Particulars of Bid) to the said Owner; and

WHEREAS, the Owner has required as a condition for considering the said Bid that the Principal furnishes a Bid Security in the above said sum to the Owner, conditioned as under:

- (1) that the Bid Security shall remain valid for a period 28 days beyond the period of validity of the Bid;
- (2) that in the event of;
 - (a) the Principal withdraws his Bid during the period of validity of Bid, or
 - (b) the Principal does not accept the correction of his Bid Price, pursuant to Sub-Clause 24.2 of Instructions to Bidders, or
 - (c) failure of the successful bidder to
 - (i) furnish the required Performance Security, in accordance with Clause 34 of Instructions to Bidders, or
 - (ii) sign the proposed Contract Agreement, in accordance with Clause 35 of Instructions to Bidders,

then the entire sum be paid immediately to the said Owner as liquidated damages and not as penalty for the successful bidder's failure to perform.

NOW THEREFORE, if the successful bidder shall, within the period specified therefor, on the prescribed form presented to him for signature enter into a formal Contract with the said Owner in accordance with his Bid as accepted and furnish within twenty eight (28) days of his being requested to do so, a Performance Security with good and sufficient surety , as may be required, upon the form prescribed by the said Owner for the faithful performance and proper fulfilment of the said Contract or in the event of non-withdrawal of the said Bid within the time specified for its validity then this obligation shall be void and of no effect, but otherwise to remain in full force and effect.

PROVIDED THAT the Guarantor shall forthwith pay to the Owner the said sum stated above upon first written demand of the Owner without cavil or argument and without requiring the Owner to prove or to show grounds or reasons for such demand notice of which shall be sent by the Owner by registered post duly addressed to the Guarantor at its address given above.

PROVIDED ALSO THAT the Owner shall be the sole and final judge for deciding whether the Principal has duly performed his obligations to sign the Contract Agreement and to furnish the requisite Performance Security within the time stated above, or has defaulted in fulfilling said requirements and the Guarantor shall pay without objection the sum stated above upon first written demand from the Owner forthwith and without any reference to the Principal or any other person.

IN WITNESS WHEREOF, the above bounden Guarantor has executed the instrument under its seal on the date indicated above, the name and seal of the Guarantor being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

Witness:	_____ Guarantor (Bank)
1. _____	Signature _____
_____	Name _____
Corporate Secretary (Seal)	Title _____
2. _____	_____
_____	_____
(Name, Title & Address)	Corporate Guarantor (Seal)

FORM OF CONTRACT AGREEMENT

This OPERATION AND MAINTENANCE AGREEMENT (hereinafter called the "Agreement") is made and entered into the ____ day of _____ (month) 20____ by and between **[Legal name, form and country of Project Owner]** (hereinafter called the "Owner"), and **[Legal name, form and country of O&M firm]** (hereinafter called the "Operator").

WHEREAS, Owner owns a **[Description of Project]**, **[Name of Project]** ("Project") and desires to contract for operation, maintenance and management of the Project,

WHEREAS, Operator provides operation, maintenance and management services for **Projects** and has agreed to provide those services for the Project on the terms and conditions set forth in this Agreement,

NOW this Agreement witnesseth as follows:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to.
2. The following documents after incorporating addenda, if any except those parts relating to Instructions to Bidders shall be deemed to form and be read and construed as part of this Agreement, viz:
 - (a) The Contract Agreement;
 - (b) The Letter of Award;
 - (c) The completed Form of Bid;
 - (d) The Particular Conditions of Contract;
 - (e) The General Conditions of Contract;
 - (f) The priced Schedule of Prices;
 - (g) Completed Appendices to Bid ;
 - (h) The Specifications-Technical and Special Provisions
 - (i) any other
3. In Consideration _____ Operator Covenants _____

4. The Owner hereby covenants _____

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed on the day, month and year

first before written in accordance with their respective laws..

[Legal Name of Owner]

By: _____

Witness: _____

Name:
Title:
Seal:

Name:
Address:

[Legal Name of Operator]

By: _____

Witness: _____

Name:
Title:
Seal:

Name:
Address:

FORM OF PERFORMANCE SECURITY
(Bank Guarantee/ Insurance Bond)

Guarantee No. _____

Executed on _____

Expiry date _____

Name of Guarantor (Bank/Approved Insurance Company) with
address: _____

Name of Principal (Contractor) with address: _____

Penal Sum of Security (express in words and figures)

Letter of Acceptance No. _____ Dated _____

KNOW ALL MEN BY THESE PRESENTS, that in pursuance of the terms of the Bidding Documents and above said Letter of Acceptance (hereinafter called the Documents) and at the request of the said Principal we, the Guarantor above named, are held and firmly bound unto the _____ (hereinafter called the "Owner") in the penal sum of the amount stated above for the payment of which sum well and truly to be made to the said Owner, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the Principal has accepted the Owner's above said Letter of Acceptance for _____ (Name of Contract) for the _____ (Name of Project).

NOW THEREFORE, if the Principal (Contractor) shall well and truly perform and fulfill all the undertakings, covenants, terms and conditions of the said Documents during the original terms of the said Documents and any extensions thereof that may be granted by the Owner, with or without notice to the Guarantor, which notice is, hereby, waived and shall also well and truly perform and fulfill all the undertakings, covenants terms and conditions of the Contract and of any and all modifications of said Documents that may hereafter be made, notice of which modifications to the Guarantor being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue till all requirements of Sub-Clause 8.7, Project Condition at End of Term,, , of Conditions of Contract are fulfilled.

Our total liability under this Guarantee is limited to the sum stated above and it is a condition of any liability attaching to us under this Guarantee that the claim for payment in writing shall be received by us within the validity period of this Guarantee, failing which we shall be discharged of our liability, if any, under this Guarantee.

We, _____ (the Guarantor), waiving all objections and defences under the Contract, do hereby irrevocably and independently guarantee to pay to the Owner without delay upon the Owner's first written demand without cavil or arguments and without requiring the Owner to prove or to show grounds or reasons for such demand any sum or sums up to the amount stated above, against the Owner's written declaration that the Principal has refused or failed to perform the obligations under the Contract which payment will be effected by the Guarantor to Owner's designated Bank & Account Number.

PROVIDED ALSO THAT the Owner shall be the sole and final judge for deciding whether the Principal (Contractor) has duly performed his obligations under the Contract or has defaulted in fulfilling said obligations and the Guarantor shall pay without objection any sum or sums up to the amount stated above upon first written demand from the Owner forthwith and without any reference to the Principal or any other person.

IN WITNESS WHEREOF, the above-bounden Guarantor has executed this Instrument under its seal on the date indicated above, the name and corporate seal of the Guarantor being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

Guarantor (Bank/Approved Insurance Co.)

Witness:

1. _____

Signature _____

Corporate Secretary (Seal)

Name _____

Title _____

2. _____

Name, Title & Address

Corporate Guarantor (Seal)

FORM OF BANK GUARANTEE FOR ADVANCE PAYMENT

Guarantee No. _____
Executed on _____
Expiry date _____

WHEREAS _____ (hereinafter called the Owner) has entered into a Contract for _____

_____ (Particulars of Contract), with

_____ (hereinafter called the Contractor).

AND WHEREAS the Owner has agreed to given advance to the Contractor, at the Contractor's request, an amount of _____ (Rs. _____) which amount shall be advanced to the Contractor as per provisions of the Contract.

AND WHEREAS the Owner has asked the Contractor to furnish Guarantee to secure advance payment for performance of his obligations under the said Contract.

AND WHEREAS _____ (Bank) (hereinafter called the Guarantor) at the request of the Contractor and in consideration of the Owner agreeing to make the above advance to the Contractor, has agreed to furnish the said Guarantee.

NOW THEREFORE the Guarantor hereby guarantees that the Contractor shall use the advance for the purpose of above mentioned Contract and if he fails, and commits default in fulfillment of any of his obligations for which the advance payment is made, the Guarantor shall be liable to the Owner for payment not exceeding the aforementioned amount.

Notice in writing of any default, of which the Owner shall be the sole and final judge, as aforesaid, on the part of the Contractor, shall be given by the Owner to the Guarantor, and on such first written demand payment shall be made by the Guarantor of all sums then due under this Guarantee without any reference to the Contractor and without any objection.

This guarantee shall come into force as soon as the advance payment has been credited to the account of the Contractor.

This guarantee shall expire not later than _____ by which date we must have received any claims by registered letter, telegram, telex or telefax.

It is understood that you will return this Guarantee to us on expiry or after settlement of the total amount to be claimed hereunder.

Witness:

1. _____

Corporate Secretary (Seal)

2. _____

Name, Title & Address

Guarantor (Bank)

Signature _____

Name _____

Title _____

Corporate Guarantor (Seal)

(PART – I)

**GENERAL CONDITIONS
OF
CONTRACT**

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GENERAL CONDITIONS OF CONTRACT

1 AGREEMENT

1.1 AGREEMENT

This Agreement consists of the terms and conditions set forth in the sections captioned by numbered clause designations (“Clauses”) and the following appendices, which are incorporated and made part of this Agreement by this reference and are included in any reference to this Agreement:

Appendix A – Scope of Services

Appendix B – Reimbursable Costs

Appendix C – Notices and Communication Protocols

Appendix D – Works to be Performed by Subcontractors/Operator

Appendix E – Method of Performing The Works

Appendix F – Proposed Organization

Appendix G – Integrity Pact

If the terms and conditions of the Clauses of this Agreement vary or are inconsistent with any portion of the Appendices, the terms of the Clauses this Agreement shall control and be given priority, and the provisions of the Appendices shall be subject to the terms of the Clauses. This Agreement contains the entire agreement between the parties and supersedes all prior agreements, whether oral or written, between the parties with respect to the subject matter of this Agreement. Neither party will be bound by or be deemed to have made any representations, warranties, commitments or other undertakings with respect to the subject matter of this Agreement that are not contained in this Agreement.

1.2 EFFECTIVE DATE AND TERM

This Agreement shall be effective and shall govern the rights and obligations of the parties from and after the date of this Agreement for a period *as mentioned in PCC*.

1.3 RELATIONSHIP OF THE PARTIES

Operator has been retained by Owner as an independent contractor to operate, maintain and manage the Project on behalf of Owner, in accordance with Prudent Utility Practice and the requirements of the Project Agreements. Owner has delegated to Operator overall responsibility for operating, maintaining and managing the Project to ensure that the Project is available for its function namely *as provided in PCC* for Owner and meets all requirements under the Project Agreements. Neither Operator nor any of its employees, subcontractors or agents shall be deemed to have any other status, except that Operator is the agent of Owner to the limited extent that this Agreement expressly grants Operator the authority to act on behalf of Owner.

1.4 REPRESENTATIVES

Owner and Operator shall each designate a representative ("Designated Representative") to act on its behalf in overseeing the performance of this Agreement. Owner and Operator may change their respective Designated Representatives upon written notice to the other party given as provided in this Agreement. Designated Representatives shall be the primary means for communication and all other interactions between Owner and Operator that are required under this Agreement. Designated Representatives shall have the power and authority to bind their respective principals under the terms of this Agreement, with any required internal corporate approvals with respect to such authority being the responsibility of each representative to obtain from his or her principal.

1.5 INTEGRITY PACT.

For Contracts of worth Rupee ten million or more, which relate to federal finance, the Integrity Pact duly signed between the Operator(Contractor/supplier) shall be binding till completion of the contract. In other cases, this Sub-Clause 1.5 of the Agreement is not applicable.

2 DEFINITIONS

Unless otherwise required by the context in which a defined term appears, the following terms shall have the meanings specified in this Clause 2. Terms that are defined in other Clauses shall have the meanings given to them in those Clauses.

"Annual Project Operating Plan" has the meaning set forth in Sub-Clause 6.2.

"Annual Operating Fee" means an annual operating fee paid to Operator during each Contract Year as set forth in Sub-Clause 5.2.

"Annual Budget" has the meaning set forth in Sub-Clause 6.2

"Bankruptcy" means a situation in which (i) a party's actions under applicable debtor relief laws demonstrate an inability to pay its debts as they mature or a need for protection from its creditors; (ii) a court of competent jurisdiction approves a petition filed against a party, which petition sought relief for the party's creditors, and the action of the court remains in effect for an aggregated period of 60 days (whether or not consecutive); (iii) a party admits in writing its inability to pay its debts as they mature; (iv) a party gives notice to any person or entity of its current (or pending) insolvency or suspension of operations; or (v) a party makes an assignment for the benefit of creditors or takes other similar action for the protection or benefit of its creditors.

"Business Day" means any day other than a Sunday or any other day on which commercial banks are authorized or required to close the business *as mentioned in PCC*.

"Contract Year" means: (i) for the first Contract Year, that period from the date of this Agreement to and including June 30 of such year; and (ii) for each Contract Year thereafter, the fiscal year.

"Five-Year Budget" has the meaning set forth in Sub-Clause 6.2(e).

"Force Majeure Event" means an event, condition or circumstance beyond the reasonable control of, and not due to the fault or negligence of, the party affected, and which could not have been avoided by due diligence and use of reasonable efforts, which prevents the performance by such affected party of its obligations hereunder; provided, that a "Force Majeure Event" shall not be deemed to have occurred or to be continuing unless the party claiming Force Majeure complies with the requirements of Sub-Clause 15.3 (*Force Majeure*). Subject to the foregoing, "Force Majeure Event" shall include, as to either party, explosion and fire (in either case to the extent not attributable to the negligence of the affected party), flood, earthquake, storm or other natural calamity or act of God, strike or other labor dispute, war, insurrection or riot, actions or failures to act by governmental entities or officials, failure to obtain governmental permits or approvals (despite timely application thereof and due diligence) and changes in laws, rules, regulations, orders or ordinances affecting operation of the Project, which events were not pending on the date of this Agreement.

"Operating Manuals" means the operating data, design as-built drawings, specifications, vendors' manuals, warranty requirements, procedures (including those for maintenance of the Project and environmental and safety compliance), and similar materials with respect to the Project.

"Procedures Manual" has the meaning set forth in Clause 6.1.

"Project" means the project *as mentioned in PCC* and related assets, together with other facilities and related assets, to be constructed on certain real property, *as mentioned in PCC*.

"Project Agreements" means the agreements relating to the Project, *as mentioned in PCC*, Interconnection Agreement, this Agreement and all other agreements applicable to the Project, permits, and licenses required for the operation, maintenance and management of the Project, as identified in writing by Owner.

"Prudent Utility Practice" means (i) any of the practices, methods, and acts engaged in or approved by a significant portion of the project related industry in the country and geographic region where the Project is located during the relevant time period, or (ii) practices, methods and acts that, in the exercise of reasonable judgment on the facts known (or that reasonably should have been known) at the time a decision was made, could have

been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition.

"Reference Rate" means the discount rate published by the State Bank of Pakistan from time to time.

"Reimbursable Costs" has the meaning set forth in Sub-Clause 5.3.

"Services" has the meaning set forth in Sub-Clause 3.1.

3 SERVICES

3.1 SCOPE OF SERVICES

Operator shall (i) operate, maintain and manage the Project on behalf of Owner ("Services") and (ii) also perform the specific duties set forth in this Agreement if they are not otherwise required by the standards defined in Sub-Clause 3.2.

3.2 STANDARDS FOR PERFORMANCE OF THE SERVICES.

Operator shall perform the Services required under this Agreement, including those set forth in Appendix A, in a prudent, reasonable, and efficient manner and in accordance with (i) Operating Manuals, the Administrative Procedures Manual and applicable vendor warranties, (ii) the applicable Annual Project Operating Plan and Annual Budget, (iii) all applicable Laws, (iv) Prudent Utility Practices, (v) the Project Agreements, (vi) the requirements of any System Operator. Operator shall use all reasonable efforts to optimize the useful life of the Project and to minimize Reimbursable Costs and Project outages or other unavailability.

3.3 OPERATOR'S PERSONNEL STANDARDS

Operator shall provide as reasonably necessary all labor and professional, supervisory and managerial personnel as are required to perform the Services. Such personnel shall be qualified to perform the duties to which they are assigned and shall meet any requirements for Project personnel under the Project Agreements. All individuals employed by Operator to perform the Services shall be employees of Operator, and their working hours, rates of compensation and all other matters relating to their employment shall be determined solely by Operator (subject to Owner's approval rights with respect to the Annual Budget). With respect to labor matters, hiring personnel, and employment policies, Operator shall comply with all applicable Laws. Operator also shall act in a reasonable manner that is consistent with the intent and purpose of this Agreement and with Operator's acknowledgment (hereby given) that Operator has no authority to enter into any contracts with respect to labor matters that purport to bind or otherwise obligate Owner.

3.4 COMPLIANCE

Operator shall comply with all Laws applicable to the operation, maintenance and management of the Project and the performance of the Services. Operator shall apply for and obtain, and Owner shall assist Operator in applying for and obtaining, all necessary permits, licenses and approvals (and renewals of the same) required to allow Operator to do business or perform the Services in the jurisdictions where the Services are to be performed. Operator shall provide reasonably necessary assistance to Owner, to secure permits, licenses, and approvals (and renewals of the same) that Owner is required to obtain from or file with any governmental agency regarding the Project. Operator also shall file such reports, notices, and other communications as may be required by any governmental agency regarding the Project.

3.5 OPERATING RECORDS AND REPORTS

Operator shall maintain, at a location acceptable to Owner, the Project operating logs, records, and reports that document the operation and maintenance of the Project, all in form and substance sufficient to meet Owner's reporting requirements under the Project Agreements. Operator shall maintain current revisions of drawings, specifications, lists, clarifications and other materials related to operation and maintenance of the Project provided to Operator by Owner and vendors. Operator shall provide Owner reasonably necessary assistance in connection with Owner's compliance with reporting requirements under the Project Agreements, applicable Laws or any other agreement to which Owner is a party relating to the Project. Such assistance shall include providing reports, records, logs and other information that Owner may reasonably request as to the Project or its operation.

3.6 NO LIENS OR ENCUMBRANCES

Operator shall maintain the Project free and clear of all liens and encumbrances resulting from any action of Operator or work done at the request of Operator, except for such liens or encumbrances that result directly from nonpayment by Owner of amounts due and owing to Operator under this Agreement.

3.7 NO ACTION

Except where such action is expressly permitted by this Agreement, Operator shall not take any action that would cause a default under any Project Agreement.

3.8 EMERGENCY ACTION

If an emergency endangering the safety or protection of persons, the Project, or property located near the Project occurs, Operator shall promptly notify Owner and take all necessary action to attempt to prevent or mitigate any such threatened damage, injury or

loss. Operator shall make reasonable efforts to minimize any cost associated with remedial action in case of such an emergency.

3.9 ACTION IN EXTRAORDINARY CIRCUMSTANCES

In the event that:

- (A) The Project or major Project equipment suffers an unplanned outage (or Operator reasonably believes that such an occurrence is imminent), and
- (B) Operator has made reasonable, but unsuccessful, efforts to notify and communicate with Owner regarding such occurrence or imminent occurrence in accordance with the terms of this Agreement, then Operator shall:
 - (i) take all necessary action to prevent or to mitigate such unplanned outage,
 - (ii) make reasonable efforts to minimize any cost associated with such remedial action,
 - (iii) continue to attempt to notify and communicate with Owner regarding the occurrence and the remedial action, and
 - (iv) not expend for such purposes more than an aggregate *as mentioned in PCC* in any Contract Year.

4 OWNER RESPONSIBILITIES

4.1 INFORMATION

Owner shall provide Operator with all vendor manuals, spare parts lists, Project data books and drawings which are provided to Owner pursuant to any Project Agreement or by any contractor responsible for construction, installation, repair or maintenance of the Project or a part thereof. Subject to the standards of performance set forth in Sub-Clause 3.2, Operator shall be entitled to rely upon such information in performance of the Services. Owner shall also provide Operator with copies of all Project Agreements and any amendments thereto and any other documents that define the Project's operating requirements.

4.2 OVERHAUL OF MAJOR EQUIPMENT AND CAPITAL IMPROVEMENT

The cost of all major equipment teardowns and overhauls and all capital improvements shall be the responsibility of Owner. Operator shall promptly notify Owner in writing of any such teardowns and overhauls of major equipment or capital improvements that Operator believes are necessary or advisable together with a proposed schedule for completing such repairs or improvements. To the extent reasonably possible, the costs of all major equipment teardowns and overhauls and all capital improvements shall be incorporated into the applicable Annual Budget. If such costs have been incorporated into the applicable approved Annual Budget, or if Owner has otherwise consented in writing to reimburse Operator for such costs, Operator shall schedule, coordinate, contract and oversee the performance of such activities. Operator also shall be responsible for

monitoring and enforcing contract compliance by the contractor performing such work, including taking such steps, short of litigation, to enforce any warranties granted to Owner by such contractor.

4.3 ANNUAL BUDGET AND PROJECT OPERATING PLAN

In accordance with Clause 6, Owner shall be responsible for approval of the Annual Budget, the Annual Project Operating Plan and the Five-Year Budget.

5 COMPENSATION AND PAYMENT

5.1 PAYMENTS

As compensation to Operator for performance of the Services hereunder, Owner shall pay Operator the Annual Operating Fee (or a pro rata portion thereof in the case of a Contract Year of less than 12 months). In addition, Owner shall (at Owner's Option) either (i) reimburse Operator, in the manner and at the times specified in this Clause 5 and Appendix B, as modified from time to time, for all Reimbursable Costs or (ii) pay such Reimbursable Costs directly to the applicable third parties.

5.2 ANNUAL OPERATING FEE

For the first Contract Year and each subsequent Contract Year, Owner shall pay to Operator the sum *as mentioned in PCC* per month of the Contract Year, for an annual fee *as mentioned in PCC* (the "Annual Operating Fee"). Beginning on the first day of the second Contract Year and on the first day of each Contract Year thereafter, the Annual Operating Fee (and the corresponding monthly operating fee) shall be adjusted to reflect changes *as mentioned in PCC*

5.3 REIMBURSABLE COSTS

Owner shall reimburse Operator for all costs incurred by Operator in performing the Services, including the costs set forth in Appendix B (collectively, the "Reimbursable Costs"). Owner's obligation under this provision is subject to (i) Owner's express approval of the costs as part of an Annual Budget or separately in writing, or (ii) Operator incurring costs in accordance with Sub-Clauses 3.8 (*Emergency*), 3.9 (*Extraordinary Circumstances*). Expenditures made by Operator in excess of the Annual Budget that are required to comply with any Law applicable to the Services or to the Project, shall be approved and reimbursed by Owner. Subject to Owner's right to modify the provisions of this Sub-Clause 5.3 from time to time. Owner shall pay Reimbursable Costs as follows:

- (a) Owner will advance to Operator on a mutually agreed basis, funds required for given Operator to make payments as they become due in accordance with the Annual Budget. Not less than fifteen (15) days before the first day of each calendar month during the term of this Agreement, Operator shall submit to Owner an estimate of funds required for such month, which estimate shall be in accordance

with the Annual Budget. Owner shall pay to Operator the amount of such estimate prior to the time such funds are required by Operator. Such advances shall be deposited in a separate account in Operator's name, as agent for Owner, in a scheduled Bank of Pakistan, subject to withdrawal by Operator solely for the purpose of making required payments. Within fifteen (15) days of the end of each month, Operator shall submit to Owner a statement of receipts and disbursements, in detail satisfactory to Owner, together with supporting documentation.

- (b) Operator shall not incur Reimbursable Costs unless they are incurred in accordance with the applicable Annual Budget, or are permitted by Sub-Clauses 3.8 (*Emergency*), 3.9 (*Extraordinary Circumstances*). If Operator becomes aware that Reimbursable Costs exceed or will exceed the amount provided in the applicable Annual Budget by 5% or more, Operator shall use all reasonable efforts to notify Owner within ten (10) days and shall not, without Owner's approval to amend the applicable Annual Budget or Owner's authorization for Operator to make such expenditure, perform any further Services that will cause or increase a budget overrun, except as provided in Sub-Clauses 3.8 (*Emergency*), 3.9 (*Extraordinary Circumstances*). If Owner refuses to authorize expenditures in excess of the Annual Budget, Operator shall be relieved of those duties or obligations of this Agreement that cannot be performed without the expenditures Owner refuses to approve.
- (c) In all cases, Operator shall use reasonable commercial efforts to mitigate any adverse effect from Owner's refusal to authorize expenditures in excess of the Annual Budget. Owner's reimbursement of any cost related to the Services shall not be construed as Owner's approval or acceptance of the Services.

5.4 ADJUSTMENT AND CONDITIONS

Notwithstanding the payment of any amount pursuant to the foregoing provisions, Owner shall remain entitled to conduct a subsequent audit and review of all Reimbursable Costs incurred and paid by Owner and of any supporting documentation for a period of two 2 years after the applicable Contract Year. If such audit and review shows that any amount previously paid by Owner to Operator did not constitute a Reimbursable Cost, Owner may (a) recover such amount from Operator, plus interest at the Reference Rate, calculated from the date the audit commenced, or (b) deduct such amount from any payment that thereafter may become due to Operator.

5.5 BILLING AND PAYMENT

Within 15 days following the end of each month, Operator shall submit the receipts and disbursements showing Reimbursable Costs for such month in accordance with Sub-Clause 5.3(a). Within 15 days after receipt of any such invoice, Owner shall:

- (a) pay Operator the sum specified in such invoice, less (i) any amounts previously deposited with Operator relating to such invoice as well as net interest (if any) earned on the bank deposit, and (ii) any portion of such invoice amount that Owner disputes in good faith or is permitted to offset under this Agreement; and

- (b) with respect to any disputed portion of such invoice, provide Operator with a written statement explaining, in reasonable detail, the basis for such dispute. The parties shall attempt to resolve any such disputed portion in accordance with Clause 14.

CLAUSE 6 PROCEDURES, PLANS AND REPORTING

6.1 PROCEDURES MANUAL

The parties have approved a procedures manual that includes procedures for (i) reporting and correspondence pursuant to this Agreement, (ii) procurement and contracting, and (iii) accounting, bookkeeping and record-keeping ("Procedures Manual"). The Procedures Manual shall govern the covered activities of Operator for the term of this Agreement, subject to such revision and amendment as agreed in writing by Owner and Operator.

6.2 ANNUAL PROJECT OPERATING BUDGET AND PLAN

- (a) **Proposal:** At least ninety (90) days before the beginning of each Contract Year, Operator shall prepare and submit to Owner a proposed annual budget for the Contract Year, established on a monthly basis. The proposed annual budget shall include separate operating and capital budgets. The proposed annual budget shall also set forth, in detail acceptable to Owner, (i) anticipated operations, repairs and capital improvements, (ii) maintenance and overhaul schedules, (iii) planned procurement (including equipment, spare parts, and consumable inventories), (iv) labor activities (including staffing, labor rates, and holidays), (v) administrative activities, and (vi) other work proposed to be undertaken by Operator, together with an itemized estimate of all Reimbursable Costs to be incurred. Each proposed annual budget shall be accompanied by a proposed annual operating plan setting forth the assumptions and implementation plans underlying the proposed annual budget. Any actions to be performed by Operator under the proposed annual operating plan shall be consistent with Operator's obligations set forth in this Agreement.
- (b) **Adoption:** Owner shall review Operator's proposed annual budget and annual operating plan within thirty (30) days following receipt of the proposals. Owner may, by written request, propose changes, additions, deletions and modifications to the proposals. If requested by Operator, Owner shall provide Operator any cost information in Owner's possession from previous Contract Years applicable to items in the proposed annual budget. Owner and Operator will then meet and use their reasonable commercial efforts to agree upon a final budget and plan (the "Annual Budget" and "Annual Project Operating Plan", respectively), which shall be approved in writing by both parties. Except to the extent that the terms of Sub-Clause 3.8 and 3.9 permit Operator to take actions which are outside the final Annual Budget without the consent of Owner, the final Annual Budget and Annual Project Operating Plan shall remain in effect throughout the applicable Contract Year, subject to revisions and amendments proposed by either party and consented to in writing by the other party.

- (c) **Changes:** Operator shall notify Owner as soon as reasonably possible of any significant deviations or discrepancies from the projections contained in the Annual Budget or Annual Project Operating Plan.
- (d) **Failure to Adopt:** If, by the first day of any Contract Year after the first Contract Year, the parties are unable to reach agreement concerning any item or portion of the Annual Budget for such Contract Year, then the amount(s) of such item or portion of the Annual Budget for such Contract Year shall be equal to 105% of the amount for the corresponding item or portion of the Annual Budget for the preceding Contract Year.
- (e) **Five-Year Budget.** At least ninety (90) days before the first day of each Contract Year, Operator shall prepare and submit to Owner a proposed budget for the next 5 Contract Years or the remaining term of the Agreement, whichever period is shorter. The proposed five-year budget shall be established on an annual basis and shall include separate operating and capital budgets. The proposed five-year budget shall also set forth, in detail acceptable to Owner,
 - (i) anticipated operations, repairs and capital improvements;
 - (ii) maintenance and overhaul schedules;
 - (iii) planned procurement (including equipment, spare parts, and consumable inventories);
 - (iv) labor activities (including staffing, labor rates, and holidays);
 - (v) administrative activities; and
 - (vi) other work proposed to be undertaken by Operator, together with an itemized estimate of all Reimbursable Costs to be incurred, accompanied by the underlying assumptions and implementation plans of the proposed five-year budget. Owner shall review Operator's proposed five-year budget within 30 days following receipt of the proposal. Owner may, by written request, propose changes, additions, deletions and modifications to the proposals. Owner and Operator will then meet and use their reasonable commercial efforts to agree upon a final five-year budget (the "Five-Year Budget"), which shall be approved in writing by both Parties. If a final Five-Year Budget is not approved in its entirety by both parties, the proposed five-year budget submitted by Operator, together with Owner's final suggested changes, additions, deletions and modifications shall serve as the Five Year Budget. The Five-Year Budget shall be used only for planning and comparison purposes, and shall not constrain Operator in its actions or expenditures, provided, however, that Operator shall be required to conform in its operations to the Annual Budget and Annual Project Operating Plan as provided in this Agreement.

6.3 OPERATING DATA AND RECORDS

Operator shall monitor and record all operating data and information that (i) Owner must report to any person or entity under any Project Agreement, (ii) Owner must report to any government agency or other person or entity under applicable Laws and (iii) Owner

reasonably requests. Operator shall report required or requested operating data and information to Owner as specified by Owner to support monthly invoicing under the Project Agreements, and within fifteen (15) Calendar Days following a request by Owner. Operating data to be reported include information from operating (logs, meter and gauge readings) and maintenance records.

6.4 ACCOUNTS AND REPORTS

Operator shall cooperate with Owner in complying with reporting requirements set forth in the Project Agreements and shall, during the term of this Agreement, furnish or cause to be furnished to Owner the following reports concerning the Project operations and the Services:

- (a) **Monthly Reports:** Within ten (10) calendar days following the last day of each calendar month, Operator shall submit: (i) a progress report, in detail acceptable to Owner, covering all activities during such month with respect to operations and maintenance (including information regarding the inputs and outputs of the project / facility.

(Specify) capital improvements, labor relations, other significant matters, and Services. The monthly report shall include a comparison of such items to the corresponding values for the preceding month and for the corresponding portion of the previous Contract Year, a listing of any significant operating problems along with immediately planned remedial actions, and a brief summary of major activities planned for the next reporting period, and (ii) a statement setting forth all Reimbursable Costs paid or incurred in such month, which statement shall itemize, in detail acceptable to Owner, the computation of such Reimbursable Costs including documentary evidence and shall state whether or not the Project operations have conformed to the applicable Annual Project Operating Plan and Annual Budget during such reporting period and if not, the extent and reasons for any deviation and the planned remedial action.

- (b) **Annual Reports:** As soon as available, and in any event within sixty (60) days after the end of each Contract Year, Operator shall submit an annual report describing, in detail substantially similar to that contained in the monthly reports referred to in Sub-Clause 6.4(a), the Project activities and operating data for such Contract Year. The annual report shall present a comparison of such Project activities and operating data with the goals set forth in the Annual Project Operating Plan and Annual Budget for such Contract Year, and with those achieved during the preceding Contract Year (if applicable) and an explanation of any substantial deviations. Within thirty (30) days after submission of each annual report, Operator shall meet with Owner to review and discuss the report and any other aspects of Project operations that Owner may wish to discuss.
- (c) **Litigation, Permit Lapses:** Upon obtaining knowledge thereof, Operator shall promptly notify Owner in writing of: (i) any event of default under any of the Project

Agreements; (ii) any litigation, claims, disputes or actions, threatened or filed, concerning the Project or the Services; (iii) any refusal or threatened refusal to grant, renew or extend (or any action pending or threatened that might affect the granting, renewal or extension of) any license, permit, warranty, approval, authorization or consent relating to the Project or the Services; and (iv) any dispute with any governmental authority relating to the Project or the Services.

- (d) **Other Information:** Operator shall promptly submit to Owner any material information concerning new or significant aspects of the Project's activities and, upon Owner's request, shall promptly submit any other information concerning the Project or the Services.

6.5 ADDITIONAL COMMUNICATIONS

Operator shall communicate certain additional events specified in Appendix C to Owner and third parties in accordance with the communication protocols set forth in Appendix C to this Agreement.

7 LIMITATIONS ON AUTHORITY

7.1 GENERAL LIMITATIONS

Notwithstanding any provision in this Agreement to the contrary, unless previously approved by Owner in writing or through Owner's approval of the Annual Budget, Operator and any employee, representative, contractor or other agent of Operator are prohibited from taking the specified actions with respect to the matters indicated below.

- (a) **Disposition of Assets:** Sell, lease, pledge, mortgage, convey, or make any license, exchange or other transfer or disposition of any property or assets of Owner, including any property or assets purchased by Operator where the purchase cost is a Reimbursable Cost;
- (b) **Contract:** Make, enter into, execute, amend, modify or supplement any contract or agreement (i) on behalf of, in the name of, or purporting to bind Owner or (ii) that prohibits or otherwise restricts Operator's right to assign such contract or agreement to Owner at any time;
- (c) **Expenditures:** Make or consent or agree to make any expenditure for equipment, materials, assets or other items which would be a Reimbursable Cost, except in conformity with the Annual Budget; provided, however, that solely in connection with actions taken by Operator pursuant to Sub-Clauses 3.8 (*Emergency*), 3.9 (*Extraordinary Circumstances*), Operator may, without prior approval from Owner, make limited expenditures outside the Annual Budget in accordance with those provisions;

- (d) **Other Actions:** Take or agree to take any other action that materially varies from the applicable Annual Project Operating Plan, Annual Budget or the requirements of any Project Agreement;
- (e) **Lawsuits and Settlements:** Settle, compromise, assign, pledge, transfer, release or consent to the compromise, assignment, pledge, transfer or release of, any claim, suit, debt, demand or judgment against or due by, Owner or Operator, the cost of which, in the case of Operator, would be a Reimbursable Cost hereunder, or submit any such claim, dispute or controversy to arbitration or judicial process, or stipulate in respect thereof to a judgment, or consent to do the same;
- (f) **Liens:** Create, incur or assume any lien upon the Project;
- (g) **Transactions on Behalf of Others:** Engage in any other transaction on behalf of Owner or any other person or entity not expressly authorized by this Agreement or that violates applicable Laws, this Agreement or any Project Agreement; or
- (h) **Agreements:** Enter into any agreement to do any of the foregoing.

7.2 EXECUTION OF DOCUMENTS

Any agreement, contract, notice or other document that is expressly permitted hereunder (or under written approval of Owner) to be executed by Operator shall be executed by the authorized representative of Operator or, subject to prior written notice to Owner, by such other representative of Operator who is authorized and empowered by Operator to execute such documents.

8 TERM AND TERMINATION

8.1 TERM

The term of this Agreement shall be from and including the date of this Agreement to and including *as mentioned in PCC*. Upon agreement of Owner and Operator, this Agreement may be extended for certain periods of agreed duration. This Agreement is subject to earlier termination pursuant to Sub-Clauses 8.2, 8.3, 8.4, 8.5 or 8.6.

8.2 IMMEDIATE TERMINATION BY OWNER

Subject to the terms of any Project Agreements, Owner may terminate this Agreement immediately:

- (i) upon the Bankruptcy of Operator; or
- (ii) upon the occurrence of a Force Majeure Event that is not remedied within one hundred and twenty (120) days of its initial occurrence. If the Agreement is terminated by Owner pursuant to Sub-Clause 8.2(i) or 8.2(ii), Operator shall be compensated for all Reimbursable Costs incurred by Operator to and including the date of termination. In addition, if the Agreement is terminated by Owner pursuant

to Sub-Clause 8.2(ii), Operator shall be paid all unpaid Annual Operating Fees to and including the date of termination.

8.3 TERMINATION UPON NOTICE BY OWNER

- Subject to the terms of any Project Agreements, Owner may terminate this Agreement upon ten (10) days prior written notice to Operator in the event
- (i) that Operator violates, or consents to a violation of, any Laws applicable to the Services or the Project, where the violation has or may have a material adverse effect on the maintenance or operation of the Project or Owner's interest, and Operator does not cure such violation within thirty (30) days (or, if not curable within thirty (30) days, within such period of time as is reasonably necessary, but in no event more than ninety (90) days, provided Operator diligently commences and pursues such cure and indemnifies Owner for all related costs, of whatever kind), or
 - (ii) of a material breach by Operator in the performance of the Services, if Operator does not cure such breach within thirty (30) days from the date of Operator's receipt of notice from Owner demanding cure (or, if not curable within thirty (30) days, within such period of time as is reasonably necessary, but in no event more than 90 days, provided Operator diligently commences and pursues such cure and indemnifies Owner for all related costs, of whatever kind). If the Agreement is terminated by Owner pursuant to this Sub-Clause 8.3, Operator shall be compensated for all Reimbursable Costs incurred by Operator and all unpaid Annual Operating Fees to and including the date of termination.

8.4 OTHER TERMINATION UPON NOTICE BY OWNER

Subject to the terms of any Project Agreements, Owner may terminate this Agreement with sixty (60) days prior written notice to Operator, upon the occurrence of :

- (a) a sale or transfer by Owner of its rights in the Project or a sale or transfer of all or substantially all of the assets of or interests in Owner, (b) Operator's Reimbursable Costs for Services exceeding 110% of the approved Annual Budget with respect to Reimbursable Costs, for any 2 consecutive Contract Years, where such overruns are the fault of, or due to the negligent operation of the Project by, Operator, (c) a determination by Owner that, for any reason, it no longer intends to continue operation of the Project or (d) a determination by Owner that it does not wish to extend this agreement pursuant to Sub-Clause 8.1. If the Agreement is terminated by Owner pursuant to this Section 8.4, Operator shall be compensated for all Reimbursable Costs incurred by Operator and all unpaid Annual Operating Fees to and including the date of such termination under this Sub-Clause 8.4.

8.5 TERMINATION BY OWNER WITHOUT CAUSE

In addition to its rights set forth in this Clause 8, subject to the terms of any Project Agreements, Owner reserves the right to terminate this Agreement without cause upon ninety (90) days written notice to Operator. If the Agreement is terminated by Owner

pursuant to this Sub-Clause 8.5, Operator shall be compensated for all Reimbursable Costs incurred by Operator and all unpaid Annual Operating Fees to and including the date of such termination under this Sub-Clause 8.5. Such payments, together with the termination payment set forth in Sub-Clause 8.8, shall be Operator's sole remedy in respect of such termination and shall be made by Owner within 30 days of receipt of a final invoice from Operator.

8.6 TERMINATION BY OPERATOR

Subject to the terms of any Project Agreements, Operator may terminate this Agreement for cause upon fifteen (15) days prior written notice to Owner in the event of: (i) Owner's Bankruptcy; or (ii) Owner's failure to perform in a timely manner any of its material obligations under this Agreement and such failure is not cured within thirty (30) days of Owner's receipt of a notice from Operator demanding cure (or, if not curable within thirty (30) days, within such period of time as is reasonably necessary, but in no event more than 90 days, provided that Owner diligently commences and continues to pursue such cure).

8.7 PROJECT CONDITION AT END OF TERM

Upon expiration or termination of this Agreement, Operator shall remove its personnel from the Project. Operator shall leave the Project in as good condition as it was on the Effective Date, normal wear and tear and casualty excepted. Operator shall be paid all unpaid Reimbursable Costs. All special tools, improvements, inventory of supplies, spare parts, safety equipment, Operating Manuals and Procedures Manuals, operating logs, records and documents maintained by Operator pursuant to Sub-Clause 3.5 and any other items furnished on a Reimbursable Cost basis under this Agreement will be left at the Project and will become or remain the property of Owner without additional charge. Owner shall also have the right, in its sole discretion, to assume and become liable for any contracts or obligations that Operator may have undertaken with third parties in connection with the Services. Operator shall cooperate in taking all reasonable steps requested by Owner required to effect the assumption of the contracts, provided that Owner agrees to indemnify and hold harmless Operator for all liabilities arising out of events and obligations arising from the assumption of contract rights and obligations after the date of any such assumption. Operator shall use commercially reasonable efforts to cooperate with Owner or a succeeding operator to assure that the operation, maintenance and management of the Project are not disrupted.

8.8 TERMINATION PAYMENT

- (a) In the event of a termination of this Agreement pursuant to the above Sub-Clauses 8.2 (ii), 8.4 (a), 8.4 (c), 8.4 (d) or 8.5, Operator shall be entitled, in addition to all other amounts due under this Agreement as of the date of termination, to a demobilization and cancellation payment equal to the total of all relocation and severance costs incurred with respect to Operator's employees and all costs Operator is at such time contractually or legally obligated to pay to its employees,

or which are incurred with the prior written approval of Owner. Severance costs for each of Operator's employees shall be *as mentioned in PCC* for each year such employee has worked for Operator at the Project. Subject to Owner's right to conduct a subsequent audit and review pursuant to Sub-Clause 8.8(b), such amounts shall be due and payable by Owner within 30 days of Operator's submission of an invoice, which invoice shall include a statement of all such costs and expenses in the form and with the substantiation required by Sub-Clause 6.2(a). Owner shall pay any and all legal costs incurred by Operator to collect payments under this Sub-Clause 8.8.

- (b) **Audit.** Notwithstanding payment of any amount pursuant to this Section 8.8, Owner shall remain entitled to conduct a subsequent audit and review of all costs incurred and paid by Owner pursuant to this Section 8.8, together with any supporting documentation requested by Owner, for a period of 2 years from and after the date of such payment. If, pursuant to such audit and review, it is determined that any amount previously paid to Operator did not constitute, in whole or in part, a reimbursable item pursuant to this Sub-Clause 8.8, Owner may recover such amount from Operator plus interest at the Reference Rate calculated from the date such audit commences, or Owner may deduct or cause to be deducted such amount from any payment that may be due to Operator.

9 WARRANNTY

9.1 VENDOR'S WARRANTIES

For Owner's benefit, Operator shall obtain from sellers of equipment, material, or services (other than the Services), warranties against defects in materials and workmanship to the extent such warranties are reasonably obtainable, and, to the extent of any such warranties actually obtained, Owner releases Operator from any further liability arising in respect of such equipment, material or services (other than the Services) to the extent such liability is covered by any such warranty. Operator itself shall not be liable for any such warranties, or for any defects or damage caused by such equipment, material or services (other than the Services). Upon Owner's request, Operator agrees to take such steps as are necessary, short of litigation, to enforce said warranties. Each such warranty shall be enforceable by Owner for Owner's benefit or assignable by Operator to Owner without any further action or consent by or on the part of any third party. Unless otherwise requested, Operator shall administer such warranties and immediately notify Owner of any defects discovered or suspected that may be covered by such warranties. When requested, Operator shall assign any such warranty to Owner and assist Owner with the administration and enforcement of such warranty, or, if such warranty is not assignable to Owner, assist Owner with the administration and enforcement of such warranty.

10 INDEMNIFICATION AND LIABILITIES

10.1 INDEMNIFICATION

- (a) **Indemnification by Operator:** Operator shall indemnify, defend and hold harmless Owner, the members thereof, and their respective officers, directors, employees, agents, Affiliates and representatives (the "Owner Indemnified Parties"), from and against any and all claims (in whatever form and to the fullest extent permitted by law) arising out of or in any way connected with, but only to the extent of, any gross negligence, fraud or willful misconduct of Operator or anyone acting on Operator's behalf or under its instructions, in connection with this Agreement and Operator's obligations thereunder. Any costs or expenses incurred by Operator pursuant to its indemnity obligations under this Sub-Clause 10.1(a) shall be the sole responsibility of the Operator.
- (b) **Indemnification by Owner:** Owner shall indemnify, defend and hold harmless Operator, its officers, directors, employees, agents, Affiliates and representatives (the "Operator Indemnified Parties") from and against any and all claims (in whatever form and to the fullest extent permitted by law) arising out of or in any way connected with, but only to the extent of, any gross negligence, fraud or willful misconduct of Owner or anyone acting on Owner's behalf or under its instructions (other than Operator and its suppliers, subcontractors, vendors, and their subcontractors and vendors and any employee or agent of the foregoing), in connection with this Agreement and Owner's obligations thereunder.

10.2 ENVIRONMENTAL LIABILITY

- (a) **Operator Liability:** Operator shall not be responsible for claims directly or indirectly related to hazardous materials present at the Project before the date of this Agreement, except to the extent Operator acted with respect to such materials in a grossly negligent manner. Owner shall defend, indemnify and hold Operator harmless against such claims, except to the extent such claims arise from Operator's grossly negligent or intentional acts.
- (b) **Owner's Liability:** Owner shall not be responsible for claims directly related to hazardous materials at the Project arising out of the grossly negligent or intentional acts of Operator. This provision of the Agreement shall not be construed to require Operator to take corrective action with respect to any hazardous materials at the Project before the date of this Agreement.
- (c) **Governmental Actions:** If action is required at the Project to comply with any applicable environmental laws during the term of this Agreement, Owner (with Operator's assistance) shall be responsible for the costs of compliance. Costs for such compliance action shall only be incurred by Operator only with Owner's prior written consent, unless a governmental authority requires Operator to incur such costs and expenses prior to obtaining such written consent.

11 LIMITATIONS OF LIABILITY

11.1 LIMITATIONS OF LIABILITY

- (a) **Consequential Damages:** Notwithstanding any provision in this Agreement to the contrary, Operator and Owner each agree not to assert against the other any claim, demand or suit for consequential, incidental, indirect or special damages arising from any aspect of the performance or nonperformance of the other party or any third-party engaged by such other party under this Agreement, and each party hereto waives any such claim, demand or suit against the other in connection with this Agreement.
- (b) **Damages Limited to Annual Operating Fee:** The aggregate liability of Operator [except for those claims that are subject to the provisions of Sub-Clause 10.1(a) (*Indemnification by Operator*)] shall in no event exceed, during any Contract Year, the Annual Operating Fee payable to Operator during such Contract Year plus the amount necessary to satisfy Operator's indemnification responsibilities under Clause 10.
- (c) **Limited Personal Liability :** Operator and Owner each understand and agree that there shall be absolutely no personal liability on the part of any of the members, partners, officers, employees, directors, agents, authorized representatives or Affiliates of Owner or Operator for the payment of any amounts due hereunder, or performance of any obligations hereunder. Operator shall look solely to the assets of Owner for the satisfaction of each and every remedy of Operator in the event of any breach by Owner. Owner shall look solely to the assets of Operator for the satisfaction of each and every remedy of Owner in the event of any breach by Operator.
- (d) **Survival:** The parties further agree that the waivers and disclaimers of liability, indemnities, releases from liability, and limitations on liability expressed in this Agreement shall survive termination or expiration of this Agreement, and shall apply at all times (unless otherwise expressly indicated), regardless of fault, negligence, strict liability, or breach of warranty of the party indemnified, released or whose liabilities are limited, and shall extend to the members, partners, principals, officers, employees, controlling persons, executives, directors, agents, authorized representatives, and affiliates of such party.
- (e) **Exclusivity.** The provisions of this Agreement constitute Operator's and Owner's exclusive liability, respectively, to each other, and Operator's and Owner's exclusive remedy, respectively, with respect to the Services to be performed hereunder and Owner hereby releases Operator performing Services hereunder, and Operator hereby releases Owner performing its obligations hereunder, from any further liability.

12 CONFIDENTIALITY

12.1 Operator

Operator agrees to hold in confidence for a period *as mentioned in PCC* from the date of disclosure, any information supplied to Operator by Owner or others acting on its behalf. Operator further agrees, to the extent requested by the supplier of such information, to require its subcontractors, vendors, suppliers and employees to enter into appropriate nondisclosure agreements relative to such information, prior to the receipt thereof.

12.2 Owner

Owner agrees to hold in confidence for a period *as mentioned in PCC* from the date of disclosure, any information supplied to Owner by Operator or others acting on its behalf, provided that Owner may disclose such information as is reasonably necessary but without affecting the proprietary (intellectual property) rights, if any of the Operator or others. Owner further agrees, to the extent requested by the supplier of such information, to require its members and contractors to enter into such appropriate nondisclosure agreements relative to such information, prior to their receipt thereof.

12.3 Exceptions

The provisions of this Clause shall not apply to information that was in the public domain, was already in the receiving party's possession, or was received lawfully and free of any obligation to treat it as confidential.

12.4 Required Disclosure

If a receiving party or any of its respective representatives is required by applicable law to disclose any of the information that is otherwise required to remain confidential pursuant to this Clause 12, the receiving party will notify the other party promptly in writing so that the other party may seek a protective order or other appropriate remedy (which the receiving party will not oppose), or, in the other party's sole discretion, waive compliance with the terms of this Agreement.

13 TITLE, DOCUMENTS AND DATA

13.1 Materials and Equipment

Title to all materials, equipment, tools, supplies, consumables, spare parts and other items purchased or obtained by Operator on a Reimbursable Cost basis hereunder shall pass immediately to and vest in Owner upon the passage of title from the vendor or supplier thereof, provided, however, that such transfer of title shall in no way affect Operator's obligations as set forth in this Agreement.

13.2 Documents

All materials and documents prepared or developed by Operator, its employees, representatives or contractors in connection with the Project or performance of the Services, including all manuals, data, drawings, plans, specifications, reports and accounts, shall become Owner's property when prepared, and Operator, its agents, employees, representatives, or contractors shall not use such materials and documents for any purpose other than performance of the Services, without Owner's prior written approval. All such materials and documents, together with any materials and documents furnished to Operator, its agents, employees, representatives, or contractors by Owner, shall be delivered to Owner upon expiration or termination of this Agreement and before final payment is made to Operator.

13.3 Review By Owner

All materials and documents referred to in Sub-Clause 13.2 hereof shall be made available for review by Owner (including their agents or advisors) at all reasonable times during development and promptly upon completion. All such materials and documents required to be submitted for approval by Owner shall be prepared and processed in accordance with the requirements and specifications set forth in the Administrative Procedures Manual. However, Owner's approval of materials and documents submitted by Operator shall not relieve Operator of its responsibility for the correctness thereof or of its obligation to meet all requirements of this Agreement.

13.4 Proprietary Information

Where materials or documents prepared or developed by Operator or its agents, employees, representatives or contractors contain proprietary information, systems, techniques, or know-how acquired from third parties by Operator or others acting on its behalf, such persons or entities shall retain all rights to use or dispose of such information, provided, however, that Owner shall have the right to the same to the extent necessary for operation or maintenance of the Project.

14 RESOLUTION OF DISPUTES

14.1 Resolution Through Discussions

If any dispute or difference of any kind (a Dispute") arises between Owner and Operator in connection with, or arising out of, this Agreement, the Owner and Operator within thirty (30) days shall attempt to settle such Dispute in the first instance through discussions. The designated representatives of Owner and Operator shall promptly confer and exert their best efforts in good faith to reach a reasonable and equitable resolution of such Dispute. If the representatives are unable to resolve the Dispute within five (5) calendar days, the Dispute shall be referred within two (2) calendar days of the lapse of the five (5) calendar day period

to the responsible senior management of each party for resolution. Neither party shall seek any other means of resolving any Dispute arising in connection with this Agreement until the responsible senior management of Owner and Operator have had at least five (5) Business Days to resolve the Dispute following referral of the Dispute to them. If the parties are unable to resolve the Dispute using the procedure described in this Clause, either party may deliver notice to the other party of its intent to submit the Dispute to arbitration ("Arbitration Notice"). The Arbitration Notice shall include the specific issues concerning the Dispute which must be resolved by the arbitration.

14.2 Arbitration

Any Dispute arising out of, or in connection with, this Agreement and not settled by the procedure prescribed in Sub-Clause 14.1, shall (regardless of the nature of the Dispute) be finally settled in accordance with Arbitration Act 1940 as amended or any statutory modification or re-enactment thereof for the time being in force the place of arbitration shall be *as mentioned in PCC*.

14.3 Continued Performance

During the pendency of any arbitration, Operator and Owner shall continue to perform their obligations under this Agreement.

CLAUSE 15 MISCELLANEOUS PROVISIONS

15.1 Assignment

Neither Owner nor Operator party may assign its rights or obligations under this Agreement without the prior written consent of the other party hereto, except that this Agreement may be assigned by Owner without such prior consent to any successor of Owner, to a person or entity acquiring all or substantially all of the Project, or any purchaser of the Project upon the exercise of remedies under a Project Agreement.

15.2 Access to Project

(a) Owner: Owner, and their respective agents and representatives shall have access at all times to the Project and any documents, materials and records and accounts relating to Project operations for purposes of inspection and review. Upon the request of Owner, or their respective agents and representatives, Operator shall make available to such persons or entities and provide them with access to any operating data and all operating logs.

(b) Cooperation: During any such inspection or review of the Project, each of Owner, and their respective agents and representatives shall use its reasonable commercial efforts to cause authorized visitors to comply with Operator's safety and security procedures and to conduct such inspection and review in a manner which causes minimal interference with Operator's activities. Operator agrees to cooperate fully with Owner, and their respective

agents and representatives in providing requested information and documentation for the support of any financial or legal transactions associated with the Project.

15.3 Force Majeure

If either Owner or Operator is rendered wholly or partially unable to perform its obligations under this Agreement (other than payment obligations) due to a Force Majeure Event, the party affected by such Force Majeure Event shall be excused from whatever performance is impaired by such Force Majeure Event, provided that the affected party promptly, upon learning of such Force Majeure Event and ascertaining that it will affect its performance hereunder, (i) promptly gives notice to the other party stating the nature of the Force Majeure Event, its anticipated duration, and any action being taken to avoid or minimize its effect and (ii) uses its reasonable commercial efforts to remedy its inability to perform. The suspension of performance shall be of no greater scope and no longer duration than that which is necessary. No obligations of either party which arose before the occurrence causing the suspension of performance and which could and should have been fully performed before such occurrence shall be excused as a result of such occurrence. The burden of proof shall be on the party asserting excuse from performance due to a Force Majeure Event.

15.4 Amendments

No amendments or modifications of this Agreement shall be valid unless evidenced in writing and signed by duly authorized representatives of both parties.

15.5 Survival

Notwithstanding any provisions herein to the contrary, the obligations set forth in Clauses 7, 10, 12 and 14, and the limitations of liabilities set forth in Clause 11, shall survive in full force despite the expiration or termination of this Agreement.

15.6 No Waiver

It is understood and agreed that any delay, waiver or omission by Owner or Operator with respect to enforcement of required performance by the other under this Agreement shall not be construed to be a waiver by Owner or Operator of any subsequent breach or default of the same or other required performance on the part of Owner or Operator.

15.7 Notices

All notices and other communications (collectively "Notices") required or permitted under this Agreement shall be in writing and shall be given to each party at its address or fax number set forth in this Sub-Clause 15.8 or at such other address or fax number as hereafter specified as provided in this Section 15.8. All Notices shall be:

- (i) delivered personally, or
- (ii) sent by fax, electronic mail, telegraph, registered or certified mail (return receipt requested and postage prepaid), or
- (iii) sent by a nationally recognized overnight courier service. Notices shall be deemed to have been given
 - (A) when transmitted if sent by fax, electronic mail, or telegraph (provided the transmittal is confirmed), or
 - (B) upon receipt by the intended recipient if given by any other means.

Notices shall be sent to the following addresses:

To Operator:

[As mentioned in PCC]

To Owner:

[As mentioned in PCC]

15.8 Fines and Penalties

If during the term of this Agreement any governmental or regulatory authority or agency assesses any fines or penalties against Operator or Owner arising from Operator's failure to operate and maintain the Project in accordance with applicable Laws without Owner's prior written consent, such fines and penalties shall, subject to the limitations set forth in Clause 11, be the sole responsibility of Operator and shall not be deemed a Reimbursable Cost.

15.9 Representations and Warranties

Each party represents and warrants to the other party that:

- (a) such party has the full power and authority to execute, deliver and perform this Agreement and to carry out the transactions contemplated hereby;
- (b) to the best of such party's knowledge, the execution, delivery and performance by such party of this Agreement, does not and will not materially conflict with any legal, contractual, or organizational requirement of such party; and
- (c) there are no pending or threatened legal, administrative, or other proceedings that if adversely determined, could reasonably be expected to have a material adverse effect on such party's ability to perform its obligations under this Agreement.

15.10 Counterparts

The parties may execute this Agreement in counterparts, which shall, in the aggregate, when signed by both parties constitute one instrument. Thereafter, each counterpart shall be deemed an original instrument as against any party who has signed it.

15.11 Governing Law

This Agreement is executed and intended to be performed *as mentioned in PCC* and the laws of country shall govern its construction, interpretation and effect.

15.12 Partial Invalidity

If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the rest of this Agreement shall remain in full force and effect and in no way be affected, impaired or invalidated.

15.13 Captions

Titles or captions of Clauses contained in this Agreement are inserted as a matter of convenience and for reference, and do not affect the scope or meaning of this Agreement or the intent of any provision hereof.

15.14 Amounts

All amounts of money in this Agreement are denominated in the currency *as mentioned in PCC*.

15.15 Performance Security

The Operator shall provide Performance Security in the currency and amount, *as mentioned in PCC*, to the Owner before signing the Contract. The security shall be in the form of Bank Guarantee or on the form provided in the Bidding Document lead from an insurance company rated as AA by PACRA/JCT, which shall be valid 28 days beyond the Term of the Contract. In case of guarantee from a foreign bank, it shall be counter guaranteed by a scheduled bank in Pakistan.

(PART – II)
PARTICULAR
CONDITIONS OF CONTRACT

PARTICULAR CONDITIONS OF CONTRACT

General Conditions of Contract

Clause Reference

1 AGREEMENT

1.2 This Agreement shall be effective and shall govern the rights and obligations of the parties from and the date of Contract Signing or any other date mutually agreed between owner and Contractor. The Contract will remain valid for the period of twenty four (24) Months.

1.3 Operation & Maintenance of 614 Ton VRF Type HVAC System and 80 Ton Package Unit installed in Administration and Academic Blocks at National University of Technology, Islamabad.

1.4 Contractors Representative:

- a. Two (2) HVAC Technicians (specialized in VRF type System) of the Operator shall be present at the NUTECH site from 9:00 am to 5:00 pm from Monday to Friday and one (1) HVAC Engineer (specialized in VRF type System) will be available on call upon 'as and when required' basis for Operation and Maintenance of HVAC system during the course of this Contract and Maintenance will be done immediately whenever required. For replacement of major spare, maximum time allowed will be 5 days for local spares and 10 days for spares to be imported.
- b. In case of emergent situations contractor/ firm will be required to employ skilled/ unskilled manpower round the clock and complete the work as soon as possible.
- c. All technical staff of contractor to be deployed at NUTECH site will be first interviewed by the employer. In case of failure in an interview they will be replaced.

2 DEFINITIONS

Business Days: Monday to Friday

Size, technology and other descriptive information about the Project are mentioned in Specifications (Technical Provision).

Location of Project: Academic and Admin Blocks of National University of Technology, IJP Road, Sector I-12, Islamabad.

Type of Agreement: Operation & Maintenance of 614 Ton VRF Type HVAC System and 80 Ton Package Unit (HVAC) installed in Administration and Academic Blocks at National University of Technology, Islamabad”

3 SERVICES

- 3.1 a. Contractor will be required to supply miscellaneous items required for routine replacement, maintenance and minor repairs etc.
- b. The Operation and Maintenance includes all types of periodical checks which are necessary for smooth running of HVAC System and Contractor will issue a SATISFACTORY MAINTENANCE CERTIFICATE after every months.
- c. Maintenance labour, technical support and material like lubricant, oil grease, cotton waste and cleansing agents etc. will be provided by Contractor on O&M cost quoted in Price bid.
- d. It will be the responsibility of contractor to arrange all spare parts of installed HVAC system to be changed / replaced whenever required after obtaining the approval from Owners' Representative.
- e. The Contractor shall be responsible for protection of existing HVAC system installed in Academic and Admin Blocks , NUTECH and shall be solely responsible for making up any damage caused by his manpower / staff to any of the existing installations whether of temporary or permanent nature. The Contractor is liable to pay for the damages caused by neglect of his manpower / staff.
- f. In case of any fault, it should be attended by contractor with in 24 hour and shall be rectified within 3 days. In case of delay without authentic justification, a penalty amounting 0.5 percent of contract price shall be imposed upon contractor.
- g. The Contractor shall be responsible to ensure minimum 90% of the HVAC availability on monthly basis failing to which contractor shall be imposed penalty amounting 10% of monthly bill. Availability can be calculated by following formula:
- > $(A - B / C * 100) = \text{Percentage Availability}$
Whereas,
A = Available time in hours (per month)
B = Non – Availibility of HVAC System in hours (per month)
A = Total runnug time of HVAC System in hours (per month)
- 3.9 In case of HVAC breakdown due to no fault of the Contractor, immediate repair / rectification works up to Rs.100,000/- will be carried out by Contractor under intimation to NUTECH and with prior approval of EMPLOYER'S REPRESENTATIVE, who will reimburse the cost within three (3) weeks. In case the cost involved is more than Rs.100,000/-, NUTECH will arrange for the payment or else, a written approval by NUTECH will be accorded to Contractor for undertaking such works.

5 COMPENSATION AND PAYMENT

- 5.2 Payment for Services & Goods supplied: Payment shall be made in Pak. Rupees in the following manner:

Monthly payment will be made to the CONTRACTOR for the services rendered by him against the monthly bills, submitted by the CONTRACTOR and certified by the EMPLOYER'S REPRESENTATIVE. Monthly payment will be made after the deduction of income tax (as per government rules) and such other deductions i.e. those on account of shortage of manpower, equipment, bad performance etc. as per the relevant provisions of the contract. The outline form of the running bills shall be approved by the EMPLOYER'S REPRESENTATIVE.

- 5.3 The CONTRACTOR is bound to pay the salaries/ overtime of employees & charges related to specific service contracts within 1st week of each month positively. If the CONTRACTOR is late in making payments to its workers/ service providers for any two months, then CONTRACTOR is liable under the penalty of 10 % of the monthly Bill.
- 5.4 The contractor shall be responsible for the payment of all taxes announced by the Government of Pakistan and Taxes on services arising out of the contract.

8 TERM AND TERMINATION

In case of default of contractor, contract will be executed at the risk and cost of Contractor. The EMPLOYER shall also have the right to terminate this agreement wholly by giving a written notice of 90 days and also inform of the reason for such termination.

9 WARRANTY

- 9.1 Any spare part bought from Operator's firm will be liable under the warranty of one year.

12 CONFIDENTIALITY

- 12.1 Period of Confidential Treatment for operator is till expiration of Contract.
- 12.2 Period of Confidential Treatment for owner is till expiration of Contract.

13.1 Material and Equipment

- a. Cost of Major spare & replacement parts will be borne by owner. However, Maintenance labour, technical support and material like lubricant, oil grease, cotton waste and cleansing agents etc. will be provided by Contractor and are included in quoted monthly Operating fee. Normal and special maintenance supply schedule will be furnished by THE CONTRACTOR.
- b. Upon delivery/installation at the NUTECH Site, the O&M Contractor shall provide the complete details of the product, description of Goods and quantity as following:
- (i) copies of the Supplier's invoice showing Goods' description, quantity, unit price, and total amount;
 - (ii) Manufacturer's or Supplier's warranty certificate; in case the subject good is of another origin or a third party manufacture.
 - (iii) Inspection certificate.

14 RESOLUTION OF DISPUTES

- 14.2 All disputes between Owner & Operator/Contractor arising out and relating to the Contract or Operation & Maintenance services, the officer nominated by Rector NUTECH will be the sole arbitrator.

15 MISCELLANEOUS PROVISIONS

- 15.7 Complete address of Owner

PMO, National University of Technology (NUTECH)

IJP Road, Sector I-12, Islamabad

Attn: Owner's Representative is **Mr. Amjad Saeed** (Acting Director, PMO NUTECH)

Tel: 051-5476768

E-Mail: pm.office@nutech.edu.pk

Mention the complete address of Operator

[Name of O&M firm]

[Address of O&M firm]

Attn: [Name of representative designated pursuant to Sub-Clause 1.4]

Tel: [Telephone number, including country code, if needed]

Fax: [Facsimile machine number, including country code, if needed]

E-Mail: [E-mail address]

- 15.8 Fines and Penalties

- a. All penalties, risk and cost amounts will be deducted from monthly bill of the contractor.
- b. Any work not up to the desired quality will be redone by contractor with in specified time. If not done, owner is fully empowered to carry out the work from any other firm/ source upon risk and cost of contractor/ firm.

- 15.11 The Contract shall be interpreted in accordance with the laws of Islamic Republic of Pakistan which includes the following legislation:

The Employment of Children (ECA) Act 1991

The Bonded Labour System (Abolition) Act of 1992 The Factories Act 1934.

- 15.14 Amounts of money shall be dominated in currency of [Islamic Republic of Pakistan [Rupees] .

- 15.15 The Performance Security shall be in the [Pakistani Rupee] for an amount equivalent to **10%** (Ten Percent) of the amount in Letter of acceptance. Valid for Contract period plus further 1 year.

- 15.16 The O&M Contractor shall assist and draw proposal/plan for onsite training of the Client staff for the operation and maintenance of the Plant. The proposal for training shall be implemented after the Client's approval. The Client will provide maximum five (05) personnel to be trained on job.

**SPECIFICATION
(TECHNICAL PROVISIONS)**

AIR CONDITIONER INSTALLED AT ACEDAMIC & ADMIN BLOCK,

NUTECH:

Sr. No.	Description
1.	AUX AIR CONDITIONER HVAC System (ARV6 Series) Full DC Inverter VRF Overall Capacity: 614 ton
2.	Make : AERMEC – ITALY Model : RTX11649278 Capacity : 20 Ton Article No. : RX11030 MFG Year : 2013 Refrigerant : R410A (21kg) Power Supply: 400 VAC/3PH/50Hz
3.	GREE Air Conditioner Type : Split AC Capacity: 2 Ton
4.	ORIENT Air Conditioner Type : Floor Mounted Capacity: 4 Ton
TOTAL CAPACITY = 694 TONS	