

# **BHUTAN POWER CORPORATION LIMITED**



**TENDER NO: BPC/PSD/O&M/TRA/2010/09 dated 06/05/2010**

**BID DOCUMENT  
FOR PROCUREMENT OF SERVICES  
(LOCAL COMPETITIVE BIDDING)**

Towards Hiring of  
Local Transportation of Electrical Line and Substation Materials for  
BPC funded Planned and O&M Works

May 2010

**Project** : **BPC Planned and O&M Materials.**  
**Tender No.** : **BPC/PSD/O&M/TRA/2010/09**  
**Work** : **Hiring of Local Transportation of Electrical Line and  
Substation Materials for BPC Planned and O&M Materials.**

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**Project** : **Transportation of BPC Planned and O&M Materials.**  
**Tender No.** : **BPC/PSD/O&M/TRA/2010/09**  
**Work** : **Hiring of Local Transportation of Electrical Line and Substation Materials for BPC Planned and O&M Materials.**

**SALIENT FEATURES OF THE BID**

Sl. #	Item	Remark
1.	Bid Details: a) Sale of Bid Document: b) Cost of Bid Document: c) Place of sale: d) Last Date of submission: e) Place of submission: f) Opening Date: g) Place of Opening:	Starting from 07.05.2010 to 07.06.2010 Nu. 300.00 PSD HO, BPC, Thimphu 08.06.2010 (15.00 hrs) PSD, BPC, Thimphu 08.06.2010 (15:30 hrs) BPC conference Hall, Thimphu
2	Bid Security (EMD)	Refer to the fixed Bid Security amount in the Invitation for Bids.
3.	Bid Validity Period	140 days from the date of bid opening
4.	Period of Bid Security	140 days from the date of bid opening

BHUTAN POWER CORPORATION LIMITED  
PROCUREMENT SERVICES DEPARTMENT

THIMPHU : BHUTAN

**TRANSPORTATION OF BPC PLANNED AND O&M MATERIALS**

**INVITATION FOR BIDS**

Date:	06/05/2010
Fund	BPC Fund
Tender No.:	BPC/PSD/O&M/TRA/2010/09

1. Bhutan Power Corporation Limited (hereinafter referred to as BPC) has planned to transport the Electrical Line and Substation Materials for BPC funded Planned and O&M works from the Regional Stores Division, Phuentsholing and Samdrupjongkhar to various locations through routes mentioned hereunder:

**(1) ORDINATING PLACE: BPC Regional Stores, Phuentsholing/Samdrupjongkhar:**

SI #	Route ID	From	To	Via	Fixed Bid Security Amount (Nu)
1.1	PT	RSD, Phuentsholing	ESD, Thimphu	Bhutan	7,150.00
1.2	PP		ESD, Paro	Bhutan	4,400.00
1.3	PS		ESD, Samtse	India	1,000.00
1.4	PPB		Pangbang	India	13,700.00
1.5	SN	RSD, S/Jongkhar	Nganglam	India	3,100.00
1.6	SL		ESD, Lhuentse	Bhutan	5,900.00
1.7	SM		ESD, Mongar	Bhutan	3,900.00

2. The highest standard of ethics during the procurement and execution of such contracts needs to observe during entire execution.
  - (a) will reject a proposal for award if it determines that the bidder recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question;
3. BPC now **invites sealed bids from all Bhutanese licensed individual private truck owners owning at least two trucks or more and be in position to provide at least two truck per route on daily basis as per the requisitions of purchasers (BPC) and those licensed transporters under the Ministry of Economic Affairs of RGoB** for the transportation of electrical goods and materials for the construction of electricity distribution infrastructure works.
4. Those transporters already engaged in transportation of electrical materials with BPC are not eligible for participation in this tender.
5. The contract must be valid for 4 months from the date of signing of final contract agreement between two parties i.e. BPC “Purchasers” and “Transporters”.

6. Interested eligible Bhutanese national contractors may obtain further information on the bid form and inspect the bidding documents at the office of:

**The General Manager,  
Procurement Services Department,  
Bhutan Power Corporation Limited,  
Thimphu : Bhutan  
Telephone No. : +975 2 336046  
Facsimile No. : +975 2 333583**

7. Complete set of bidding documents may be purchased by any interested eligible bidder on submission of a written application to the above address and upon payment of a nonrefundable fee of Nu.300.00 (Ngultrum Three hundred only).
8. Bidders may quote for one or more Route(s), and the bid evaluation and contract award will be based on the individual Route.
9. The estimated date of award is starting from 16<sup>th</sup> June, 2010.
10. All bids must be accompanied by a fixed Bid Security amount mentioned against individual packages in Ngultrum and must be delivered in accordance with the Instructions to Bidders **on or before 1500 hours on 08/06/2010**, and will be publicly opened **on 1530 hours on the same day on 08/06/2010**.
11. BPC will not be responsible for any expenses incurred by bidders in connection with the preparation or delivery of bids.
12. The invitation for bids is also available in BPC's website [www.bpc.bt](http://www.bpc.bt)

**SECTION – A**

**INSTRUCTION TO BIDDERS**

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**SECTION- A**  
**INSTRUCTION TO BIDDERS**

**A. General**

**1. Scope of Bid**

1.1 The Procurement Services Department, Bhutan Power Corporation Limited (BPC), Thimphu (hereinafter referred to as "**the Purchaser**") wishes to receive bids for hiring of vehicles (Trucks) for the transportation of the electrical goods for power lines and substations hereof (hereinafter referred to as "**the Transporter**").

1.2 Bhutan Power Corporation Limited (BPC) is implementing BPC Planned and O&M works under various Dzongkhags, funded by BPC. Materials are purchased CIP Regional Stores Division, Phuentsholing from where it is to be transported to Micro Stores of Electricity Supply Divisions as specified in the Price Schedule.

The BPC therefore invites sealed quotations from individual Bhutanese truck owners owning at least two or more trucks under his/her name and the registered transporters for the transportation of various electrical goods from Regional Stores Division, Phuentsholing<sup>1</sup> to various Micro Stores all over the country for local transportation as per the terms and conditions mentioned in this Bidding Documents.

1.3 The carrier has to ply the most direct routes for the local transportation as indicated in the Price Schedule in Section D.

1.4 All terms and conditions mentioned in this Bidding Documents are essential. However, in order to assist Bidder in preparation of his bid proposal, terms and conditions that require special attention to the Bidder highlighted in bold and/or italics letters in the Bidding Documents.

1.5 RSD, P/ling has three (03) Stores unit office located at Phuentsholing, Pasakha and Malbase. Therefore, transporters are expected to lift the materials from any of the above mentioned stores locations.

**2. Eligible Bidders**

2.1 **The invitation for bids is open to all individual Bhutanese private truck owner owing at least two trucks or more trucks and be in position to provide at least two trucks per day for each route or from the registered transporters under the Ministry of Economic Affairs of RGOB (Supporting evidence to corroborate the claim must be enclosed).**

**3. Cost of Bidding**

3.1 The bidder shall bear all costs associated with the preparation and delivery of its Bid, and the Purchaser will in no case be responsible or liable for those costs.

#### **4. Pre-bid Meeting**

4.1 Not Applicable.

#### **B. The Bidding Documents**

#### **5 Bidding Documents**

5.1 The bidding procedures and Contract terms are prescribed in the Bidding Documents. In addition to the Invitation to Bids, the Bidding Documents include:

- A. Instructions to Bidders
- B. General Conditions of Contract
  - Appendix – I (Sample form for Contract Execution Schedule)
  - Appendix – II (List of materials to be transported)
- C. Sample Forms
  - Bid Form
  - Contract Agreement Form
  - Bid Security Form
  - Performance Security Form
  - Power of Attorney
  - Schedule of Information
  - Acknowledgment of Compliance with Guidelines for Procurement under Japanese ODA Loans
  - Pre-Contract Integrity Pact
- D. Price Schedule

5.2 The bidder is expected to examine the Bidding Documents, including all instructions, forms, terms, and specifications. Failure to furnish all information required by Bidding Documents or submission of a Bid not substantially responsive to the Bidding Documents in every respect will result in the rejection of the Bid.

#### **6. Clarification of Bidding Documents**

6.1 Prospective bidders requiring any further information or clarification of the Bidding Documents may notify the Purchaser in writing or fax at the Purchaser's mailing address indicated in the Invitation to Bids. The Purchaser will respond in writing to any request for information or clarification of the Bidding Documents, which it receives no later than 10 days prior to the deadline for submission of bids. The Purchaser's response including an explanation to the query will be sent in writing or by fax to all prospective bidders who purchased the Bidding Documents.

#### **7. Amendments of Bidding Documents**

7.1 At any time prior to the deadline for submission of Bids, the Purchaser may, for any reason, whether at its own initiative or in response to a clarification requested by prospective bidder, modify the bidding Documents by issuing addendum.

7.2 The amendment shall be part of the Bidding Documents, pursuant to Sub-Clause 5.1, and it will be notified in writing or by fax to all prospective bidders who have received the Bidding Documents, and will be binding on them.

7.3 In order to afford prospective bidders reasonable time in which to take the amendment into account in preparing their Bids, the Purchaser may, at its discretion, extend the deadline for the submission of Bids.

**C. Preparation of Bids.**

**8. Language of Bid**

8.1 The Bid prepared by the bidder and all correspondence and documents relating to the Bid exchanged by the Bidder and the Purchaser will be in English only.

**9 Documents Comprising the Bid**

9.1 The Bid prepared by the bidder shall comprise of the following components:

- (a) Bid Form and Price Schedule completed in accordance with Clause 10, 11, 12;
- (b) Documentary evidence establishing, in accordance with Clause 13, that the bidder is eligible to bid.
- (c) Bid security furnished in accordance with Clause 14.

**10 Bid Form**

10.1 The bidder shall complete the Bid Form and Price Schedule included herein, stating the **Rate(s) (Nu./trip) individually for prospective Routes to offer the bid**. The Bidder may quote the rate for one or more than one Routes but must provided at least two (2) trucks per route on daily basis as per the transportation schedule of BPC.

**11 Bid Prices**

11.1 The Rate(s) quoted by the bidders shall remain fixed and valid for 04 months from the date of signing of Final Contract Agreement between two parties and should be quoted in terms of truckloads and not in tonnage/miles because for electrical items like transformers and isolators volumes would determine the truckloads instead of the tonnage. For items where tonnage is applicable, transporter should carry the maximum tonnage applicable for plain routes and the tonnage applicable for hilly routes in the manner that is most advantageous to the BPC.

11.2 *The Rate quoted should be for the Routes to the specified Regional Stores and ESDs (Micro Stores) as designated by BPC.*

11.3 Conditional tenders will be rejected.

11.4 Bidders may quote for one or more Routes, and bid evaluation and contract award will be on the Route basis.

**12 Bid Currencies**

12.1 Prices shall be quoted in Ngultrum.

**13 Documents Establishing the Bidder’s Qualification to Perform the Contract.**

13.1 Price is only one of the factors considered in the evaluation. The requirement is for four (04) months. Therefore the following criteria shall determine the responsiveness of the Bids:

13.2 The bidder shall furnish, as part of its Bid, certification establishing the bidder’s eligibility to bid:

- a) Financial Criteria: - The bidder shall demonstrate that it has financial resources as working capital and also to be able to deploy at least 2 or more trucks per route on daily basis within the route sector.

Required documents : Copy of financial statements and credit letters issued by a Bank to substantiate the capacity of the bidder.

- b) Past Experiences : The bidder should have at least 1 year of past experiences of having transported goods.

Required documents : List of similar work experience as a transporter for the last 01 year (fill the Item 6 in Schedule of Information)

- c) Vehicle availability : The transporter shall have at least 02 trucks available at all times for every route.

Required documents: List of vehicles (fill the Item 8 in Schedule of Information)

- d) **In the event of a Pooling, letter of commitment from the other owners or agreement between the partners should be submitted. All the partners shall submit the above items a) to c), individually. The lead transporter shall be exclusively liable for the performances.**

**Required documents: Letter of commitment from the other partners, or Agreement amongst the partners (in case a pooling only) must be submitted along with the Bids for qualification.**

13.3 Any Bid not secured in accordance with Sub-Clause 13.1 and 13.2 above may be treated as non-responsive

**14 Bid Security**

14.1 The Bidder shall furnish, as part of its bid, a bid security as follows:

SI #	Route ID	Total Bid Security Amount (Per Route)
1	PT	7,150.00
2	PP	4,400.00
3	PS	1,000.00
4	PPB	13,700.00

5	SN	3,100.00
6	SL	5,900.00
7	SM	3,900.00

14.2 The bid security shall be denominated in the currency of the Bid. It should be valid for four (04) months till the completion of contract period after signing of contract agreement between two parties and shall be in one of the following forms acceptable to the Purchaser:

(a) Cash warrant/Bank draft/Bank guarantee issued by a reputable bank acceptable to the Purchaser in the form provided in the Bidding Documents or another form subject to prior approval of the Purchaser.

(b) The bank guarantee shall be drawn in favor of

**The Chief Finance Officer,  
Finance & Accounts Department,  
Bhutan Power Corporation Limited,  
Thimphu, Bhutan.**

(c) Cash, personal cheque, etc., will not be accepted as a bid security and the bid will be treated as non responsive and will be rejected.

14.3 Any Bid not secured in accordance with Sub-Clause 14.1 and 14.2 above will be treated as non- responsive.

14.4 An unsuccessful bidder's bid security will be discharged/returned as promptly as possible upon award of Contract, but in any event not later than **thirty (30) days** after the expiration of the period of bid validity.

14.5 The successful bidder's bid security will be discharged/returned upon furnishing the performance security and the bidder's executing the Contract.

14.6 The bid security may be forfeited:

(a) if the bidder withdraws its Bid during the Period of the bid validity specified by the bidder on the Bid Form; or

(b) if the bidder does not accept the correction of its bid prices; or

(c) in the case of a successful bidder, if the bidder fails with the specified time limit to:

(i) sign the Contract; or

(ii) furnish the performance security.

## **15. Period of Validity of Bids**

15.1 *Bids shall remain valid from the date of bid opening prescribed by the Purchaser till the completion of contract agreement drawn between the two parties.*

15.2 Notwithstanding Sub-Clause 15.1 above, the Purchaser may solicit bidder's consent to an extension of the period of bid validity. The request and the responses thereto shall be made in writing or by fax. If the bidder agrees to the extension request, the

validity of the bid security provided under Clause 14 shall also be suitably extended. A bidder may refuse the request without forfeiting its bid security. A bidder granting the request will not be required or permitted to modify its Bid.

**16 Alternative Bids**

16.1 Not applicable.

**17 Format and Signing of Bid**

17.1 The Original Bid Form and accompanying documents (as specified in Clause 9), clearly marked “ORIGINAL”, plus one copy marked “COPY” must be received by the Purchaser at the date, time and place specified pursuant to Clause 18 and 19. In the event of any discrepancy between the original and the copy, the original shall govern.

17.2 The original and the copy of the bid shall be typed or written in indelible ink and shall be signed by the bidder or a person or persons duly authorized to sign on behalf of the bidder. Such authorization shall be by a written Power-of-Attorney accompanying the Bid. All pages of the Bid, except for un-amended printed literature, shall be initialed by the person or persons signing the Bid. The name and position held by each person signing must be typed or printed below the signature.

17.3 The Bid shall contain no alterations, omissions or additions, overwriting, except those to comply with instructions issued by the Purchaser, or as necessary to correct errors made by the bidder, in which case such corrections shall be initialed by the person or persons signing the Bid.

**D. Submission of Bids**

**18 Sealing and Marking of Bids**

18.1 The bidder shall seal the original and each copy of the Bid in an inner and an outer envelope, duly marking the envelopes as “ORIGINAL” and “COPY”.

18.2 The inner and outer envelopes shall:

a. be addressed to the Purchaser at the following address:

**The General Manager,  
Procurement Services Department  
Bhutan Power Corporation Limited,  
Thimphu: Bhutan; and**

b. bear the following identification:

- Bid Reference No. **BPC/PSD/O&M/TRA/2010/09**
- **DO NOT OPEN BEFORE 1530 Hrs. on 8<sup>th</sup> June, 2010.**

In addition to the information required in Sub-Clause (a) and (b) above, the inner envelope should 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 21.

- 18.3 If the outer envelope is not sealed and marked as required by Sub-Clause 18.2, the Purchaser will assume no responsibility for the bid misplacement or premature opening.

## **19 Deadline for Submission of Bids**

- 19.1 The original Bid, together with the required copies, must be received by the Purchaser at the address specified in Sub-Clause 18.2 no later than **15:00 hours on June 08, 2010**.
- 19.2 The Purchaser may, at its discretion, extend the deadline for the submission of Bids by amending the Bid Documents in accordance with Clause 7, in which case all rights and obligations of the Purchaser and the bidders previously subject to the deadline will thereafter be subject to the deadline as extended.

## **20 One Bid per Bidder**

- 20.1 Each bidder shall submit only one Bid, either individually or as a partner of a joint venture. A bidder who submits or participates in more than one Bid will be disqualified.

## **21 Late Bids**

- 21.1 Any Bid received by the Purchaser after the deadline for submission of Bids prescribed by the Purchaser, pursuant to Clause 19, will be declared "Late" and rejected and returned unopened to the bidder.

## **22 Modification and Withdrawal of Bids**

- 22.1 The bidder may notify or withdraw its Bid after the Bid's submission, provided that written notice of the modification or withdrawal is received by the Purchaser prior to the deadline prescribed for submission of Bids.
- 22.2 The bidder's modification or withdrawal notice shall be prepared, sealed, marked and dispatched in accordance with provisions of Clause 18. A withdrawal notice may also be sent by fax but must be followed by signed confirmation copy.
- 22.3 No Bid may be modified subsequent to the deadline for submission of Bids.
- 22.4 No Bid may be withdrawn in the interval between the deadline for submission of Bids and the expiration of the period of bid validity specified by the bidder on the Bid Form.

## **E. Bid Opening and Evaluation**

### **23 Opening of Bids by Purchaser**

- 23.1 The Purchaser will open Bids, in the presence of bidders' representatives who choose to attend, at *1530 hours on June 08, 2010* in the Conference Room of Bhutan Power Corporation Limited, Thimphu. The bidders' representatives who are present shall sign a register evidencing their attendance.
- 23.2 Envelope marked "WITHDRAWAL" shall be opened 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 22 shall not be opened and will be returned to the bidder.
- 23.3 The Bidders' names, prices of bids, all discounts offered, modifications and bid withdrawals, and the presence or absence of the requisite bid security, and such other details as the Purchaser, at its discretion, may consider appropriate will be announced and recorded at the time of opening. Any bid price or discount which is not read out and recorded at bid opening will not be taken into account in bid evaluation. Further, the bidder's representatives will be required to sign the records of the bid opening.

### **24 Process to be Confidential**

- 24.1 Information relating to the examination, clarification, evaluation and comparison of Bids and recommendations for the award of a contract shall not be disclosed to bidders or any other persons not officially concerned with such process. Any effort by a bidder to influence the Purchaser's processing of Bids or award decision may result in the rejection of the bidder's Bid.

### **25 Clarification of Bids**

- 25.1 To assist in the examination, evaluation and comparison of Bids, the Purchaser may, at its discretion, ask the bidder for a clarification of its Bid. All responses to requests for clarification shall be in writing, and no change in the price or substance of the Bid shall be sought, offered or permitted, "except as required to confirm the correction of arithmetic errors discovered by the purchaser in the evaluation of the bids in accordance with clause 26.3 and 26.4 for arithmetical errors."
- 25.2 The request for clarification shall be in writing.

### **26. Preliminary Examination of Bids**

- 26.1 The Purchaser will examine the Bids to determine whether they are complete, whether any computational errors have been made, whether required sureties have been furnished, whether the documents have been properly signed, and whether the Bids are generally in order.
- 26.2 A substantially responsive Bid is one which conforms to all the terms, conditions, and specifications of the bidding documents, 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; (ii) which limits in any substantial way, inconsistent with the bidding documents, the employer's rights or the Bidder's obligations under the contract; or (iii) whose rectification would affect unfairly the competitive position of other bidders presenting substantially responsive bids.

26.3 If a bid is not substantially responsive, it will be rejected by the Purchaser and may not subsequently be made responsive by the bidder by correction of the non-conformity.

26.4 Arithmetical errors will be rectified on the following bases;

(i) If there is a discrepancy between the unit price and the total price per item that is obtained by multiplying the unit price and the quantity, the unit price shall prevail and the total price per item will be corrected.

(ii) If there is a discrepancy between the Total Amount and the sum of the total price per item, the sum of the total price per item shall prevail and the Total Amount will be corrected.

(iii) Unless in the opinion of the employer there is an obvious misplacement of the decimal point in the unit price, in which case the total cost per item as quoted will govern, and the unit price will be corrected.

26.5 The amount stated in the Form of Bid will be adjusted by the Purchaser in accordance with the above procedure for the corrections of errors and, shall be considered as binding upon the bidder. If the bidder does not accept the corrected amount to bid, its bid will be rejected, and the bid security will be forfeited.

## **27. Conversion to Ngultrum**

27.1 Not applicable. The bid price shall be in Ngultrum, only.

## **28 Evaluation and Comparison of Bids**

28.1 The Purchaser will evaluate and compare only the bids determined to be substantially responsive in accordance with Clause 26.

28.2 In evaluating the bids, the Purchaser will determine for each bid the evaluated bid price by adjusting the bid price as follows:

- (a) making any correction for errors pursuant to Clause 26;
- (b) applying any discounts offered by the bidder for the award;

28.3 The purchaser will evaluate and compare the bids on route basis.

28.4 The Transporters shall indicate the base rate and the Taxes separately as indicated in the Section D - Price Schedule since the evaluation would be carried out exclusive of taxes.

**29 Contacting the Purchaser**

- 29.1 Subject to Clause 25, no bidder shall contact the Purchaser on any matter relating to its bid, from the time of bid opening to the time of Contract Award.
- 29.2 Any effort by a bidder to influence the Purchaser in the Purchaser's decisions in respect of bid evaluation, bid comparison or Contract award will result in the rejection of the bidder's Bid.

**30 Purchaser's Right to Accept Any Bid and to Reject Any or All Bids**

- 30.1 The Purchaser 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 bidder or bidders or any obligation to inform the affected bidder or bidders of the grounds for the Purchaser's action.

**F. Award of Contract**

**31 Award**

- 31.1 The Purchaser will determine to its satisfaction whether the bidder selected as having the lowest-evaluated, responsive Bid is qualified to satisfactorily perform the Contract.
- 31.2 The determination will take into account the bidder's financial and technical capabilities. It will be based upon an examination of the documentary evidence of the bidder's qualifications submitted by the bidder, pursuant to Clause 13, as well as such other information as the Purchaser deems necessary and appropriate.
- 31.3 An affirmative determination will be a prerequisite for award of the Contract to the bidder. A negative determination will result in rejection of the bidder's Bid.
- 31.4 The Employer will award the Contract to the successful bidder whose Bid has been determined to be the Lowest-Evaluated Responsive Bid, provided further that the bidder is determined to be qualified to satisfactorily perform the Contract.

**32 Purchaser's Right to Vary Quantities at Time of Award**

- 32.1 The Purchaser reserves the right at the time of award of Contract to increase or decrease the quantity of works within the specified time frame, without any change in price or other terms and conditions.

**Disclaimer:** The approximate number of truckloads to each route has been worked out in section D but this is for the information purpose only.

**33 Notification of Award**

- 33.1 The Purchaser will notify the successful bidder in writing by registered letter or by fax that its bid has been accepted. This letter (hereinafter and in the Conditions of Contract called the "Letter of Acceptance") shall contain the sum which the

Purchaser will pay the Contractor in consideration of the execution, completion and maintenance of the Works by the Contractor as prescribed by the Contract (hereinafter and in the Conditions of Contract called “The Contract Price”)

- 33.2 The notification of award will constitute the formation of a contract, until the Contract has been affected pursuant to Clause 34.
- 33.3 Upon the furnishing by the successful bidder of performance security or upon signing of the Contract Agreement, whichever is earlier, the Purchaser will promptly notify the other bidders that their bids have been unsuccessful.

#### **34 Signing of Contract**

- 34.1 At the time of notification of award, the Purchaser will send the successful bidder the Contract form provided in the bidding Documents, incorporating all agreements between the parties.
- 34.2 The successful bidder shall be invited for contract signing at the venue and date specified in the Letter of Acceptance.

#### **35 Performance Security**

- 35.1 Within 10 days of receipt of the notification of award from the Purchaser, the successful bidder shall on receipt of the Letter of Acceptance from the employer, furnish to the Employer a performance security in an amount of ten percent (10%) of the contract price, in accordance with the Conditions of Contract, in the Performance Security Form provided in the Bidding Documents or another forms acceptable to the Employer.
- 35.2 Failure of the successful bidder to comply with the requirements of Clause 34 or 35.1 above shall constitute sufficient grounds for the annulment of the award and forfeiture of the bid security.

#### **36 Corrupt or Fraudulent Practices**

- 36.1 BPC shall observe the highest standard of ethics during the procurement and execution of such contracts in pursuance to:
  - (a) will reject a proposal for award if it determines that the bidder recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question;

Further, in pursuance to the above, BPC defines, for the purposes of this provision, the terms set forth below as follows:

- (i) “corrupt practice” means behavior on the part of officials in the public or private sectors by which they improperly and unlawfully enrich themselves and/or those close to them, or induce others to do so, by misusing the position in which they are placed, and it includes the offering, giving, receiving, or soliciting of anything of value to influence the action of any such official in the procurement processes or in contract execution; and

(ii) “fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the BPC, and includes collusive practice among bidders (prior to or after bid submission or in contract execution) designed to establish bid prices at artificial non-competitive levels and to deprive the BPC of the benefits of free and open competition.

36.2 Both the Parties (Purchaser and Transporter) shall agree to enter into the pre-contract agreement, enclosed in the Section-C Sample Form of the Bidding Documents.

## **SECTION B CONDITIONS OF CONTRACT**

### **1. Definitions**

The following words shall be construed in accordance with the meanings assigned to them, except when a different meaning is clearly intended:

- (a) **Contract** - “Contract” means the Contract Agreement entered into between the Purchaser and the Transporter, together with the Contract Documents referred to therein; they shall constitute the Contract, and the term “the Contract” shall in all such documents be construed accordingly.
- (b) **Contract Agreement** - “Contract Agreement” means the documents listed in the Clause 1 of the Form of Agreement (including any amendments thereto).
- (c) **GCC** - “GCC” means the General Conditions of Contract hereof.
- (d) **Purchaser**- The party who employs the Transporter to carry out the works or his duly authorized representative who can act on his behalf in supervising the implementation of the contract.  
**Employer** - Same as Purchaser.
- (e) **Transporter** - The party (a person or corporate body) who is employed by the Employer to carry out the works.  
**Contractor** – Same as Transporter
- (f) **Parties** - Refer to both Purchaser and Transporter.
- (g) **Works** - What the Purchaser requires the Transporter to do under the Contract, which may involve the use of labour, driver, equipment and vehicles in relation to the Contract.
- (h) **Goods** – “Goods” means all or part items of equipment, machinery, apparatus, or instrument to be transported by the Transporter in the Works under the Contract.
- (i) **Rate** - The price for a given measurement of services used in the transportation of materials.
- (j) **Commencement Date** - The date indicated in the Notice to Proceed is the date for commencement of Works.
- (k) **Defect** - Any part of the Works not executed and completed in accordance with the provisions of the Contract.

- (l) **Route** – “Route” means the seven (7) transportation routes in the scope of Works as defined in the Bidding Documents. The abbreviations of “PT”, “PP”, “PS”, “PPB”, “SN”, “SL” and “SM” are used for Route ID.

**2. Language of the Contract:**

- 2.1 The language of the Contract is English only.

**3. Performance Security:**

- 3.1 The successful bidder for respective routes shall furnish performance securities in the form of BG/DD or cash warrant in favor of the Chief Finance Officer, Finance & Account Department, Bhutan Power Corporation Limited, Thimphu valid till 180 days from the date of signing of final contract agreement.

Performance Security

Route ID	Route	Perf. Security (Nu.)
PT	RSD Phuentsholing to ESD, Thimphu	10% of the Total Contract Value
PP	RSD Phuentsholing to ESD, Paro	
PS	RSD Phuentsholing to ESD, Samtse	
PPB	RSD Phuentsholing to Pangbang	
SN	RSD Samdrupjongkhar to Nganglam	
SL	RSD Samdrupjongkhar to ESD, Lhuentse	
SM	RSD Samdrupjongkhar to ESD, Mongar	

- 3.2 The proceeds of the performance security shall be payable to the Purchaser as compensation for any loss resulting from the Supplier's failure to complete its work under the Contract.

**4.0 Payment and Price:**

- 4.1 The Transporter’s request(s) for payment shall be made to the Purchaser in writing, accompanied by an invoice with the following documents:
- a) A document verifying vehicle (truck) log by both consignor and consignee of BPC with details of the date of transportation.
  - b) Copy of delivery note (challan) duly signed by the consignee of BPC at the destination, verifying that all goods/items have been received in proper condition
- 4.2 Payments shall be made promptly by the Purchaser, but no case later than thirty (30) days after submission of an invoice or claim by the Transporter.
- 4.3 Prices charged by the Transporter for the Works performed under the Contract shall be calculated based on the Rate. The Rate shall not vary from the Rate quoted by the Transporter in its bid.

## **5. Termination for Default**

5.1 The Purchaser may, without prejudice to any other remedy for breach of Contract, by written notice of default sent to the Transporter, terminate the Contract in whole or in part:

- (a) If the Transporter fails to perform any other obligation(s) under the Contract; and
- (b) If the Transporter, in either of the above circumstances, does not cure its failure within a period of 10 (ten) calendar days (or such longer period as the Purchaser may authorize in writing) after receipt of a notice of default from the Purchaser specifying the nature of the default(s).

5.2 In the event the Purchaser terminates the Contract in whole or in part, pursuant to Clause 4.1 above, the Purchaser may engage, upon such terms and in such manner, as it deems appropriate, *then BPC shall reserve the right to engage other transporters to complete the delivery on schedule and the cost difference shall be recovered from the transporter.* Notwithstanding the above, the Transporter shall continue performance of the Contract to the extent not terminated.

5.3 In the event of the Purchaser failing to pay the Transporter the amount due under any claim within 28 days after the expiry of the time stated in clause 4, sub-clause 4.2 within which the payment is to be made, subject to any deduction that the Purchaser is entitled to make under the contract. The Transporter shall be entitled to terminate his services under the contract by giving notice to the Purchaser. Such termination shall take effect 14 days after giving of the written notice to the Purchaser.

## **6. Termination for insolvency**

6.1 The Purchaser may at any time terminate the Contract by giving written notice to the Transporter, without compensation to the Transporter, if the Transporter becomes bankrupt or otherwise insolvent. Notwithstanding the above, such termination will not prejudice or affect any right of action or remedy, which has accrued or will accrue thereafter to the Purchaser.

## **7. Termination for Convenience**

7.1 The Purchaser may, by written notice sent to the Transporter, terminate the Contract, in whole or in part, at any time for its convenience. The notice of termination shall specify that termination be for the Purchaser's convenience, the extent to which performance of work under the Contract is terminated, and the date upon which such termination becomes effect.

## **8. Resolution of Disputes**

8.1 The Purchaser and the Transporter shall make every effort to resolve amicably by direct informal negotiation any disagreement or dispute arising between them under or in connection with the Contract.

8.2 If, after 30 (thirty) days from the commencement of such informal negotiations, the Purchaser and the transporter have been unable to resolve amicably a Contract dispute, either party may require that the dispute be referred for resolution by arbitration as described in Clause 7.3.

8.3 If the dispute is to be settled by arbitration, the Purchaser and the Transporter shall be entitled to appoint one member each, and third arbitrator will be appointed by both of them by mutual consent. If either the Purchaser or the Transporter fails to appoint a representative, or both of them cannot agree on the appointment of a third member within thirty (30) days from the date of agreement to refer the matter for arbitration, then the case will be referred to the proper court in Bhutan for adjudication. The award shall be final and binding on the parties. If the disputes are settled by Arbitration, the cost of Arbitration shall be borne by both parties equally.

## **9. Applicable Law**

9.1 The Contract shall be governed by and interpreted in accordance with the laws of the Bhutan.

## **10. Taxes and Duties**

10.1 The transporter shall be entirely responsible for all taxes, stamp duties and other such levies imposed both outside the Purchaser's country and inside the Purchaser's country (Bhutan).

10.2 The Contractor/Supplier tax (tax Deduction at Source) @ 2% of the quoted price will be deducted from the Contractor/Supplier bills and the TDS certificate will be issued by BPC.

## **11. Execution Schedule**

11.1 The Transporter shall carry out the Works as per estimated of truckload as mentioned in section D. The materials to be transported are provided in Appendix – II.

The Transporter shall transport the materials upon issuance of 2 days or earlier notification in advance by the respective Regional Store's Manager, BPC, as shown in a sample of notification in Appendix-1 hereinafter.

***11.2 Should the transporter fail to confirm to these execution schedule provided through the notification, then BPC shall reserve the right to engage other transporters to complete the delivery on schedule and the cost difference shall be recovered from the transporter.***

The transporters shall comply the following delivery time to complete one trip to the respective destination as follows:

**Schedule of Transportation per Trip**

Route ID	Route	Schedule per trip	Total Schedule
PT	RSD, Phuentsholing to ESD, Thimphu	1 Day	Total trips and schedule per destination shall be provided through advance notification as and when required
PP	RSD, Phuentsholing to ESD, Paro	1 Day	
PS	RSD, Phuentsholing to ESD, Samtse	1 Day	
PPB	RSD, Phuentsholing to Pangbang	1 Day	
SN	RSD, S/Jongkhar to Nganglam	1 Day	
SL	RSD, S/Jongkhar to ESD, Lhuentse	2 Days	
SM	RSD, S/Jongkhar to ESD, Mongar	1 Day	

The delivery schedule is for most direct route and BPC shall not be responsible for any idling of vehicles during transportation of materials or on the return journey of the vehicles.

**12. Loading, Unloading and Receipt of materials**

- 12.1 BPC will bear all the expenditures for loading and un-loading of the materials at all the locations and Loading shall be done by BPC at Regional Stores Division, Phuentsholing / Samdrupjongkhar and unloading shall be done by the BPC offices at their respective destinations. The materials must be handed over to BPC authorized officer at the destination with proper verification by both the parties.
- 12.2 Transporter shall be fully responsible for ensuring that all materials are loaded as per the GIN/ Challan signed and issued from the Regional Stores Division and also for ensuring that all items as per GIN / Challan are delivered to their destinations. The transporter shall also be entirely responsible for any damage caused to the goods during transportation due to mishandling or negligence.

**13. Risks and Liability:**

- 13.1 The Transporter shall bear the risk of any damage, loss & proliferation of the Goods during transportation attributable to mere negligence and willful misconduct on their part. In case of damage, loss & proliferation of goods during the Works, the Transporter shall be required to compensate 1.5 times the actual cost of the Goods damaged or defected during the Works.

**14. Liquidated Damages (LD)**

- 14.1 *If the Transporter fails to complete the transportation of the materials within the timeframe given to the Transporter during the notification, the applicable LD damages after the contractual period shall be a sum equivalent to one-half (0.5) percent per week for the unperformed/delayed services to the maximum of 10% of the total route amount.*

**15. Force Majeure**

- 15.1 In the event that the Transporter or any of its subcontractors or the Purchaser is delayed in performing any of their respective obligations under the Contract, and such delay is caused by Force Majeure, including but not limited to war, civil insurrection, fires, floods, epidemics, earthquakes, quarantine restrictions and freight embargoes, such delay may be excused as provided in Clause 10, and the period of such delay may be added to the time of performance of the obligation.
- 15.2 If a Force Majeure situation arises, the Transporter shall promptly notify the Purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the Purchaser in writing, the Transporter shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.

**Appendix-1 Sample Form for Contract Execution Schedule  
(For Reference only)**

**ROUTE:**

<b>Sr .#</b>	<b>Route</b>	<b>No. of trips (estimated)</b>	<b>Consignor (Loading at)</b>	<b>Consignee (Unloaded at)</b>
1	PT	40	RSD, P/ling 05-252329	ESD, Thimphu 02-325471
2	PP	25	RSD, P/ling 05-252329	ESD, Paro 08-271508
3	PS	15	RSD, P/ling 05-252329	ESD, Samtse 05-365447
4	PPB	45	RSD, P/ling 05-252329	Pangbang (ESD- Zhemgang 03-741147)
5	SN	25	RSD, S/Jongkhar 07-251482	Nganglam (ESD, Zhemgang 03-741147)
6	SL	17	RSD, S/Jongkhar 07-251482	ESD, Lhuentse 04-545141
7	SM	14	RSD, S/Jongkhar 07-251482	ESD, Mongar 04-641287

1. The contact office address is provided for both Consignor and Consignee for issue and receipt of materials at respective locations.

**SECTION C  
SAMPLE FORMS**

**1. BID FORM**

The General Manager,  
Procurement Services Department,  
Bhutan Power Corporation Limited,  
Thimphu: Bhutan.

Sir,

Having examined the Bidding Documents for the above Contract, including the Specifications, the receipt of which is hereby duly acknowledged, we the undersigned, offer to execute the local transportation of electrical line and substation materials in conformity with the said Bidding Documents, including Addenda Nos....., at the unite rate of .....[Unit Rate in Words and Figures]\* for the Route of .....[Route ID]\*\* ; at the unite rate of .....[Unit Rate in Words and Figures]\* for the Route of .....[Route ID]\*\*; at the unite rate of .....[Unit Rate in Words and Figures]\* for the Route of .....[Route ID]\*\*; at the unite rate of .....[Unit Rate in Words and Figures]\* for the Route of .....[Route ID]\*\* and at the unite rate of .....[Unit Rate in Words and Figures]\* for the Route of .....[Route ID]\*\*.

We undertake, if our Bid is accepted, to commence services within (*Number*) days, and to complete services of all the consignment specified in the Contract in accordance with the Contract Execution Schedule provided in the Conditions of Contract.

If our Bid is accepted, we will provide the performance security in the sum of ..... (Amount), equal to ten (10) percent of the Contract price, for the due performance of the Contract.

We agree to abide by this Bid for the period of .....days from the date fixed for bid closing pursuant to Clause 21 of the Instructions to Bidders, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Until a formal Contract is prepared and executed, this Bid, together with your written acceptance thereof in your Notification of Award, shall constitute a binding contract between us.

We understand that you are not bound to accept the lowest-priced or any Bid that you may receive.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2010

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\* Describe the Rate (Nu./trip) as indicated in Price Schedule in words and figures for each Route ID separately. Bidder may quote equal or more than one Unit Rate(s) for the proposed Routes.

\*\* Describe a Route ID shown in Price Schedule, i.e. PT, PP, PS, PBN, SN, SL & SM.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(In the Capacity of)

Duly authorized to sign Bid for and on behalf of

\_\_\_\_\_

\_\_\_\_\_  
(Signature of Witness)

Witness \_\_\_\_\_

Address \_\_\_\_\_

## 2 FORM OF AGREEMENT.

*Bidders should not complete the Form of Agreement at this time. Only the successful bidders will be required to complete the Form.*

THIS AGREEMENT made on the ..... day of .....2010 between Bhutan Power Corporation Limited (hereinafter called “the Purchaser”) of the one part and .....(Name of Contractor)..... of .....(Address of Contractor)..... (Hereinafter called “the Contractor”) of the other part.

WHEREAS the Purchaser is desirous that certain Works should be executed by the Contractor, viz

---

and has accepted a Bid by the Contractor for the execution and completion of such works and the remedying of any defects therein

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 shall be deemed to form and be read and construed as part of this Agreement, viz:
  - a) The Letter of Acceptance;
  - b) Bid Form and Price Schedule;
  - c) The Conditions of Contract;
  - d) Schedule of Supplemental Information; and
  - e) Such further documents as may be expressly incorporated in the Letter of Acceptance.

This Contract sets forth the entire contract and agreement between the parties pertaining to the works described herein and supersedes any and all earlier verbal or written agreements pertaining to the Contract.

This Contract shall prevail over all other Contract documents. In the event of any discrepancy or inconsistency within the Contract documents, then the documents shall prevail in the order listed above.

3. In consideration of the payments to be made by the Purchaser to the Contractor as hereinafter mentioned the Contractor hereby covenants with the Purchaser to execute and complete the Works and remedy any defects therein in conformity in all respects with the provisions of the Contract.
4. The Purchaser hereby covenants to pay the Contractor in consideration of the execution and completion of the works and the remedying of defects therein the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.
5. Any notice under this Contract shall be in the form of letter or facsimile. Notices to either party shall be given at such address or addresses as such party shall specify from time to time by written notice to the other. In the absence of such notice to the contrary, notice to the Employer shall be properly addressed to :

[Employer's address and electronic transmission address]

\_\_\_\_\_

and notice to the Contractor shall be properly address to :

[Contractor's address and electronic transmission address]

\_\_\_\_\_

\_\_\_\_\_

A notice shall be effective when delivered or on the notice's effective date, whichever is later.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed in accordance with their respective laws the day and year first above written.

\_\_\_\_\_  
Signature of Purchaser

\_\_\_\_\_  
Signature of Contractor

Signed, Sealed and Delivered by the said \_\_\_\_\_ (for the Purchaser) in  
the presence of \_\_\_\_\_

Signed, Sealed and Delivered by the said \_\_\_\_\_ (for the Contractor) in  
the presence of \_\_\_\_\_

### 3 FORMS OF BID SECURITY (BANK GUARANTEE)

**WHEREAS**, \_\_\_\_\_ [NAME OF Bidder] (hereinafter called "the Bidder") has submitted his bid dated \_\_\_\_\_ [Date] for the works: \_\_\_\_\_ (Hereinafter called "the Bid")

KNOW ALL MEN by these presents that We \_\_\_\_\_ [Name of Purchaser] (hereinafter called the "Purchaser") are bound unto the sum of \_\_\_\_\_ (Amount in Nu.) for which payment well and truly to be made to the said Purchaser the Bank binds himself, his successors and assigns by these presents. Sealed with the Common Seal of the Bank this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

**THE CONDITIONS of this obligation are:**

- 1) If the Bidder withdraws his Bid during the period of Bid validity specified in the Form of Bid: or
- 2) If the Bidder does not accept the correction of arithmetical errors of his bid price in accordance with the Instructions to Bidders: or
- 3) If the Bidder having been notified of the acceptance of his Bid by the Purchaser during the period of bid validity:
  - a) fails or refuses to execute the Form of Agreement in accordance with the Instructions to Bidders, if required; or
  - b) fails or refuses to furnish the Performance Security, in accordance with the Instructions to Bidders,

we undertake to pay to the Purchaser up to the above amount upon the receipt of his first written demand, without the Purchaser having to substantiate his demand, provided that in his demand.

We undertake to pay to the Purchaser will note that the amount claimed by him is due to him owing to the occurrence of one or any of the three conditions, specifying the occurred condition or conditions.

This Guarantee will remain in force up to and including the date \_\_\_\_\_ days after the deadline for submission of bids as such deadline is stated in the Instructions to Bidders or as it may be extended by the Purchaser, notice of which extension(s) to the Bank is hereby waived. Any demand in respect of this Guarantee should reach the Bank not later than the above date.

[NAME OF BANK]  
by  
(Title)  
Authorized representative

#### 4. FORMS OF PERFORMANCE SECURITIES

*Samples of acceptable forms of guarantee are annexed. Bidders should not complete the forms at this time. Only the successful bidder will be required to provide guarantee (s) in accordance with the sample or in a similar form acceptable to the Purchaser.*

To: The General Manager,  
Procurement Services Department,  
Bhutan Power Corporation Limited,  
Thimphu: Bhutan.

WHEREAS (name and address of Contractor) hereinafter called "the Contractor", has undertaken, in pursuance of Contract No. \_\_\_\_\_ dated \_\_\_\_\_ to execute the Local Transportation of Electrical Line and Substation Materials (hereinafter called " the Contract");

AND WHEREAS it has been stipulated by you in the said Contract that the Contractor shall furnish you with a Bank Guarantee by a recognized bank for the sum specified therein as security for compliance with his obligations in accordance with the Contract;

AND WHEREAS we have agreed to give the Contractor such a Bank Guarantee;

NOW THEREFORE we affirm that we are the Guarantor and responsible to you, on behalf of the Contractor up to a total of (Amount of Guarantee Words and Figures in Ngultrum) , and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of (Amount of Guarantee in Ngultrum) as aforesaid without your needing to prove or to show grounds or reason for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the Contractor before presenting us with the demand.

We further agree that no change or addition to or other modification of the terms of the Contract or of the works to be performed there under or of any of the Contract documents which may be made between you and the Contractor shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification.

This guarantee shall be valid until \_\_\_\_\_ day of \_\_\_\_\_ 2010.

SIGNATURE AND SEAL OF THE GUARANTOR \_\_\_\_\_

NAME OF BANK \_\_\_\_\_

ADDRESS \_\_\_\_\_

DATE \_\_\_\_\_

**5 POWER OF ATTORNEY GENERAL FORM**

By this Power of Attorney, created on \_\_\_\_\_ (date), \_\_\_\_\_ (name of the Bidders), having its legal domicile in \_\_\_\_\_ (Place, Country), hereby nominates, constitutes and appoints as its true and lawful attorney.

(Name of Signatory Authority)

Who is given the authority to bind the firm by his signature in matters connected with or related to the company's activities in execution of the said contract for Bhutan Power Corporation Limited.

This Power of Attorney shall remain in force until \_\_\_\_\_ (Date).

\_\_\_\_\_  
Signature of Signatory Authority

Name:

Designation:

\_\_\_\_\_  
Signature of Authorized

Name:

Designation:

## 6. SCHEDULE OF INFORMATION

1. Name of Contractor :

\_\_\_\_\_

2. Address and Tel. No. (if any) :

\_\_\_\_\_

3. Name of Transport Firm(s) :

\_\_\_\_\_

4. Trade License No and its Validity (Photocopy to be attached) :

\_\_\_\_\_

5. License No. :

\_\_\_\_\_

6. Past experience in similar works

	Description of similar works as transporter	Name of Employer	Contract amount (Nu.)	Period of the Work
(1)				
(2)				
(3)				
(4)				

7. Works in hand and the contract value :

	Name of works (Contract) in Hand	Contract amount (Nu.)	Completion date
(1)			
(2)			
(3)			

8. List of vehicles available

	Registration Number of Vehicle	Type of Vehicle	Weight on board (ton)
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			

I, hereby certify that the information in this form is true, complete and correct.

**(Signature of the Contractor)**

**Date:**

## 8. PRE-CONTRACT INTEGRITY PACT

### 1 General

Whereas the ..... representing the ..... the Royal Government of Bhutan, hereinafter referred to as the Employer on part and the ..... as the other part hereby execute this agreement as follows.

**This agreement should be a part of the tender document, which shall be signed when the work(s) is awarded. Signing authorities will be the head of the client (agency) and the authorized representative of the bidder. If the winning bidder fails to sign the agreement, the work shall be cancelled.**

### 2 Objectives

Now, therefore, the Employer and the bidder agree to enter into this pre-contract agreement, hereinafter referred to as Integrity Pact, to avoid all forms of corruption by following a system that is fair, transparent and free from any influence/unprejudiced dealings prior to , during and subsequent to the currency of the contract to be entered into with a view to:-

- 2.1 Enabling the Employer to obtain the desired works at a reasonable and competitive price in conformity with the defined specifications of the goods and services;
- 2.2 Enabling bidders to abstain from bribing or any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also refrain from bribing and other corrupt practices and the Employer will commit to prevent corruption, in any form by their officials by following transparent procedures.

### 3 Commitments of the Employer:

The Employer commits itself to the following:-

- 3.1 The Employer undertakes that no official of the Employer, connected directly or indirectly with the contract, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favor or any material or immaterial benefit or any other advantage from the Bidder, either for themselves or for any person, organizing or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to the Contract.
- 3.2 The Employer will, during the pre-contract stage, treat all Bidders alike, and will provide to all Bidders the same information and will not provide any such information to any particular Bidder which could afford an advantage to that particular Bidder in comparison to other Bidders.
- 3.3 All the officials of the Employer will report to the appropriate Government office any attempted or completed breaches of the above commitments as well as any substantial suspicion of such a breach.

- 3.4 In case of any such preceding misconduct on the part of such official(s) is reported by the Bidder to the Employer with full and verifiable facts and the same is prima facie found to be correct by the Employer, necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the Employer and such a person shall be debarred from further dealings related to the contract process. In such a case while an enquiry is being conducted by the Employer the proceedings under the contract would be not be stalled.

#### 4 **Commitments of Bidders**

The bidder commits himself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of his bid or during any pre-contract or post-contract stage in order to secure the contract or in furtherance to secure it and in particular commits himself to the following:-

- 4.1 The Bidder will not offer, directly or through intermediaries, any bribe, gift, consideration, reward favor, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the Employer, connected directly or indirectly with the bidding process, or to any person, organization or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the contract.
- 4.2 The Bidder further undertakes that he has not given, offered or promised to give, directly or indirectly any bribe, gift, consideration, reward, favor, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the Employer or otherwise in procuring the Contract or forbearing to do or having done any act in relation to the obtaining or execution of the Contract or any other contract with the Government for showing or forbearing to show favor or disfavor to any person in relation to the Contract or any other contract with the Government.
- 4.3 The Bidder will not collude with other parties interested in the contract to preclude the competitive bid price, impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract.
- 4.4 The Bidder, either while presenting the bid or during pre-contract negotiations or before signing the contract, shall disclose any payments he has made, is committed to or intends to make to officials of the Employer or their family members, agents, brokers or any other intermediaries in connection with the contract and the details of services agreed upon for such payments.
- 4.5 The Bidder commits to refrain from giving any complaint direct or through any other manner without supporting it with full and certifiable facts.
- 4.6 The Bidder shall not instigate or cause to instigate any third person to commit any of the actions mentioned above.

## 5 **Previous Transgression**

- 5.1 The Bidder declares that no previous transgression occurred in the last three years immediately, with any other Employer in respect of any corrupt practices envisaged hereunder that could justify bidder's exclusion from the tender process.
- 5.2 If the Bidder makes incorrect statement on this subject, Bidder can disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

## 6 **Sanctions**

- 6.1 The provisions regarding Sanctions for violation of the Integrity Pact include forfeiture of Performance Bond in case the Employer decides to forfeit the same without assigning any reason for Imposing sanction for violation of Integrity Pact.

## 7 **Sanctions for violation**

Any breach of the aforesaid provisions by the Employer shall face administrative charges and penal actions as per the existing relevant rules and laws. The breach of the Pact by the Bidder or any one employed by him or acting on his behalf (whether with or without the knowledge of the Bidder) or the commission of any offence by the Bidder or any one employed by him or action on his behalf, shall be dealt with as per the provisions of the Bhutan Penal Code 2004, and the Anti-Corruption Act, 2006. The Employer/relevant agency shall also take all or any one of the following actions, whenever required:-

- 7.1 To immediately call off the pre-contact negotiations without assigning any reason or giving any compensation to the Bidder. However, the proceedings with the other Bidder(s) would continue.
- 7.2 The Earnest Money/Security Deposit/Performance bond shall stand forfeited.
- 7.3 To immediately cancel the contract, if already awarded/signed, without giving any compensation to the Bidder.
- 7.4 To recover all sums already paid by the Employer.
- 7.5 To encash the advance bank guarantee and performance bond/warranty bond, if furnished by the Bidder, in order to recover the payments, already made by the Employer, along with interest.
- 7.6 To cancel all or any other Contracts with the Bidder.
- 7.7 To debar the Bidder from entering into any bid from the government of Bhutan as per the Debarment clause of the Procurement Manual.

## 8 **Conflict of Interest**

- 8.1 A conflict of interest involves a conflict between the public duty and private interests (for favor or vengeance) of a public official, in which the public official has private interest which could improperly influence the performance of their official duties and responsibilities. Conflict of Interest would arise in a situation when any concerned members of both the parties are related either directly or indirectly, or has any association or had any confrontation. Thus, conflict of interest of any official or the Employer must be declared in the prescribed form attached.

8.2 The Bidder shall not lent to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly, with any employee of the Employer, and if he does so, the Employer shall be entitled forthwith to rescind the Contract and all other contracts with the Bidder.

**9 Examination of Books of Accounts**

9.1 In case of any allegation of violation of any provisions of this Integrity Pact or payment of commission, the Employer or its agencies shall be entitled to examine the Books of Accounts of the Bidder and the Bidder shall provide necessary information of the relevant financial documents and shall extend all possible help for the purpose of such examination.

**10 Monitoring and Arbitration**

10.1 The Procurement Division of the Ministry of Finance be responsible for monitoring and arbitration of IP.

**11 Legal Actions**

11.1 The actions stipulated in this Integrity Pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extant law in force relating to any civil or criminal proceedings.

**12 Validity**

12.1 The validity of this Integrity Pact shall be from the date of its signing and extend up to .....years or the complete execution of the contract to the satisfaction of both the Employer and the Bidder, whichever is later.

12.2 Should one or several provisions of this Pact turn out to be invalid; the remainder of this Pact shall remain valid. In this case, the parties will strive to come to an agreement to their original intentions.

The parties hereby sign this Integrity Pact at \_\_\_\_\_ on \_\_\_\_\_

**EMPLOYER**

**BIDDER**

**Witness:**

**Witness**

- 1.
- 2.

- 1.
- 2.

(LegalOfficer/LA)

**SECTION D  
PRICE SCHEDULE**

1.0 – ORDINATING PLACE: from BPC Regional Stores, Phuentsholing to:

SI #	Route ID	From	To	Via	Rate (Exclusive of all Taxes) (Nu./trip)	Taxes ( Any tax applicable including TDS)
1.1	PT	RSD, Phuentsholing	ESD, Thimphu	Bhutan		
1.2	PP		ESD, Paro	Bhutan		
1.3	PS		ESD, Samtse	India		
1.4	PPB		Panbang	India		

2.0 - ORDINATING PLACE: from BPC Regional Stores, Samdrupjongkhar to:

SI #	Route ID	From	To	Via	Rate (Exclusive of all Taxes) (Nu./trip)	Taxes ( Any tax applicable including TDS)
2.1	SN	RSD, S/Jongkhar	Nganglam	India		
2.2	SL		ESD, Lhuentse	Bhutan		
2.3	SM		ESD, Mongar	Bhutan		

S.No.	Route ID	Distance in KM	Est. Truck Loads
1.1	PT	171	40
1.2	PP	169	25
1.3	PS	74	15
1.4	PPB	357	45
2.1	SN	145	25
2.2	SL	332	17
2.3	SM	267	14

N.B:

- The estimated truck loads shown above are approximate and are given to serve as a guide to give the bidder(s) an idea of the quantum of work involved. The Purchaser reserves the right to increase/decrease the quantity of work given above, and no changes in the rates shall be entertained.