

**OFFICE OF THE MANAGER (MATERIAL MANAGEMENT) MEPCO LTD:**

Wapda Colony Khanewal Road, Multan

Tel: 061-9210375, 9210380 Ext: 83, Fax No. 061-6776314

PURCHASE ORDER

P.O. No. _____/MMM/Siemens-25-11

Dated / /2008

M/s Ikram Engg. Co. Ltd.
 Building ABC, Khan Road
LAHORE

Subject: - SUPPLY OF 25 KVA DISTRIBUTION TRANSFORMERS.

- Reference:
- Tender No. 06-293 (Lot-1) opened on 18.03.2008.
 - Approval of BOD in 52nd meeting held on 09.04.2008.
 - This office LOI No. 31028-30 dated 24.04.2008.
 - Your acceptance letter No. 0815524/WN/NM dated 02.05.2008.

MEPCO Ltd. Multan is pleased to place "**PURCHASE ORDER**" for the supply of under noted material at the rates mentioned hereunder, subject to the general conditions of the contract for purchase, WAPDA dated 12.08.1984 (amended to-date) and special conditions laid down in this purchase order: -

A. DESCRIPTION OF STORES.

| <u>Sr. No.</u> | <u>Nomenclature</u> | <u>Quantity Nos.</u> | <u>Unit Rate On FCS</u> | <u>Total Value</u> |
|----------------|---|----------------------|-------------------------|------------------------|
| 1. | 25 KVA Distribution Transformer WAPDA Specification DDS-84:2007 & P-13:2002 (Amended to-date) | 0000 | Rs. 00000/- | Rs. 000000000/- |
| | | | SED @ 01% | Rs. 0000000/- |
| | | | Total: - | Rs. 000000000/- |

(Rs: Twenty Seven Lacs Twenty Nineteen Thousand Two Hundred Only) 000.000 Million**B-SPECIAL CONDITIONS:**

- The above cited price excluding Sales tax is firm and final and shall not be escalated for any reason what so ever.
- The price includes the present duties and taxes and 0.5% inspection fee. In case however the present duties and taxes are increased or new taxes/duties are imposed by the Government on finished goods during currency of the contract, the same will be paid extra on production of documentary evidence. In case of decrease in duties/taxes by the Government, the price will be decreased accordingly.
- Transformer shall conform to WAPDA specification as above (Amended to-date) with Anex-A,B& P-10:67 (amended to-date) and IEC Standard for short circuit with stand test as per their publication: 76-5 amended to-date.
- Core Material shall be of at least M-4 Grade. Manufacturer must develop testing facility for testing of core material.
- The impulse voltage test will be performed twice during calendar/financial year on each rating of transformers and thus result against any other WAPDA/DISCO purchase order during this period shall be applicable for corresponding rating.
- The Short Circuit Test carried out during calendar/financial year on each rating of transformers against any other WAPDA/DISCO Purchase Order during this period shall be applicable for corresponding rating.
- The material supplied by the manufacturer should have the embossing /punching engraving of P.O. No. & Name of the Manufacturer and MEPCO or "THE MULTAN ELECTRIC POWER COMPANY" with the year of manufacturing on the body of transformer & name plate & other relevant information.
- A copy of Inspection Call to Chief Engineer (MI) WAPDA should also be supplied to this office in each lot / case.
- The damage transformers under warranty period will be shifted by the Regional Store MEPCO to manufacture premises and after repair the same will be returned to Regional Store MEPCO Ltd. Multan by the manufacturer.
- MEPCO reserves the right to increase / decrease 25% of the quantity during currency of P.O
- Performance Guarantee **No. 451-02-0018020 dated 30.04.2008** amounting to **Rs. 13630960/-** issued by Standard Chartered Bank Pakistan Ltd. Tufail Road, Lahore valid **upto 04.09.2009** has been detained and acknowledged.
- If you do not possess the prototype approval for the offered material as mentioned in Clause-1 (A) "Description of Stores" within last three years (if applicable under WAPDA approved specification). You shall have to obtain the prototype approval from the office of Chief Engineer (D.E) Lahore before start of mass production. Drawing and prototype samples for prototype testing shall be submitted within 30 days from the date of issue of purchase order to Chief Engineer (D.E) WAPDA Lahore. It is mandatory to supply detailed calculations pertaining to design / short circuit performance and temperature rise to distribution engineering department at the time of prototype approval. Delay in offering the prototype beyond 30 days will be considered as delay in delivery and same late delivery charges will be applicable as for delay in supply of goods. All expenses of testing charges shall have to be borne by the manufacturer / supplier. Any change suggested during prototype testing for compliance of specification shall

have to be incorporated without any extra price or claim. If the prototype sample fails the material shall be improve and re-offered for prototype testing to Chief Engineer (D.E). The time taken for improvement in samples and resubmission of drawings will not entitle the manufacturer to claim extension in delivery period on this account.

2. SPECIFICATION:

As per special condition No. (iii) above.

3. TERMS OF DELIVERY:

Free delivery at consignee store i.e **50% R/Store Multan, 30% R/Store Bahawalpur, 10% R/Store Sahiwal & 10% R/store D.G. Khan of each consignment.**

4. DELIVERY PERIOD:

The delivery schedules will be reckoned from the date of purchase order, which is as under: -

- i. 400 Nos.** shall be supplied within **45 days** or earlier from the issuance date of P.O.
- ii. 800 Nos.** shall be supplied within **60 days** or earlier from the issuance date of P.O.
- iii. 1000 Nos.** shall be supplied within **90 days** or earlier from the issuance date of P.O.
- iv. 1000 Nos.** shall be supplied within **120 days** or earlier from the issuance date of P.O.

Delivery period is the essence of the purchase order and delivery must be completed not later than the dates specified. 1st day of inspection or 15th day of inspection call whichever is earlier, shall be reckoned as date of delivery of Store to MEPCO Consignee provided the goods accepted for supply have been delivered within 20 days of issue of Inspection Certificate subject to the condition that the supplier / manufacturer offers the material for Inspection at least 15-days prior to the due date and the offer is not rejected due to being a fake call or material not conforming to the specification.

Note: For opening of L/C, it is mandatory on the part of the firm to furnish the name of beneficiary Bank, Bank Account # and other required details alongwith acceptance of purchase order must be submitted to Finance Director MEPCO Multan within 07 days from the date of P.O under intimation to this office.

5. INSPECTION:

Inspection of the material will be carried out at your premises by the Chief Engineer (MI) WAPDA or his authorized representative alongwith MEPCO representative. Notice in writing shall have to be given to the inspecting officer & copy to this office by you when the material against the order is ready for inspection. All reasonable facilities as provided in the specification or followed by the industry or trade in general shall have to be afforded to the inspecting officer by you at your expenses for carrying out inspection.

6. PAYMENT:

The payment due under the purchase order will be made 40% Deposit Work & 60% Capital Receipt budget through at sight confirmed & irrevocable letter of credit (L/C) to be established by the Finance Director through any scheduled Bank of Pakistan declared by your firm in your favour. The amount of material excluding Sales tax shall be available for negotiation and encashment on the production of documents mentioned as under: -

- i) Bill in triplicate for 100% claim.
- ii) Delivery challan and GRN duly stamped and signed by consignee concerned.
- iii) Warranty certificate as prescribed in the contract / non-payment certificate.
- iv) Confirmation of Manger (M.M) MEPCO Ltd. Multan about acceptance of performance bond in case of first claim only.
- v) Inspection certificate issued by Chief Engineer (MI) WAPDA or his authorized representative.
- vi) The payment of the Sales tax & SED shall be made on presentation of following documents:
 - a. Sales tax invoice as per section-23 of Sales tax act 1990.
 - b. Sales tax cum payment challan for the concerned monthly duly paid into Government treasury.
 - c. In case of other sale the supplier has to produce copy of sales register with an affidavit on non-judicial paper to the effect that the paid challan includes the above amount of Sales tax for supply of above mentioned invoices/items.
 - d. 01% Special Excise duty Invoice as per SRO-655 (1)2007.

PARTIAL DELIVERIES AND PART PAYMENT ARE ALLOWED.

Note: All charges relating to L/C opening and negotiation charges & thereafter amendments shall be borne by supplier and charges incurred on L/C will be recovered from your invoice / bill on receipt of the P.O. You shall submit copy of the P.O. accepted on each page and other information / documents for establishment of letter of credit to Finance Director MEPCO within 07 days. In case of non-compliance the delay in opening of L/C will be on your part.

7. WARRANTY:

You will furnish a warranty certificate, certifying that the goods supplied conform exactly to the specifications laid down in the purchase order and are brand new and that in the event of the material being found defective or not conforming to the specification/particular governing supply at the time of delivery and for a period of 18 months from the date of completion of supply or 15 months from the installation whichever is earlier. You will be held responsible for losses and that the unacceptable goods shall be substituted with the accepted goods at your expenses and cost.

8. FORCE MAJEURE:

The right of MEPCO to terminate the purchase order or to claim penalty or liquidated damages shall be subject to the following circumstances, provided as a result of all or any of these events there has been delay in the performance of the purchase order by the manufacturer or supplier or the purchase order has become incapable of being performed: -

- i) Act of God.
- ii) Act of State, War or any act of the enemy.

- iii) Lock outs, Riots or Civil commotion.
- iv) Injunction granted by a court of competent jurisdiction not resulting from any fault of the manufacturer /supplier.
- v) Restriction imposed by the Government on the import of any material relating to the manufacturer of goods.
- vi) Non-receipt of raw material from abroad for reasons beyond the control of the manufacturer.
- vii) Port delays due to bunker-age or light-age.
- viii) Diversions of supplies by the Carrier without any fault or knowledge of manufacturer or supplier provided further that the manufacturer or supplier has given notice to MEPCO within 14 days of the happening of any such event.

9. FAILURES AND TERMINATION:

A) If you fail to deliver the stores or any consignment thereof within specified delivery period, the purchaser shall be entitled at his option either: -

- i) To recover from your liquidated damages levied at the rate of two percent (2%) per month or a fraction thereof subject to a maximum of ten (10%) of the purchase order price, except: -
 - a) Where undelivered stores hold up the use of other stores, liquidated damages shall be levied on the total value of the purchase order.
 - b) The recovery of liquidated damages mentioned above can be affected from any payment due to you from any unit of MEPCO or WAPDA.
- ii) To purchase from elsewhere without notice to you at your risk and cost, the stores not delivered without canceling the purchase order in respect of the consignment not yet due for delivery or
- iii) To cancel the procurement at your risk and cost in the event of event of action being taken under (ii) or (iii) above, your shall be liable for any loss which the purchaser may suffer on the account, but you shall not be entitled to any gain on repurchase made against the supply order.

B) If during the course of execution of purchase order, you are black listed by WAPDA / MEPCO,

- i) To allow the purchase order to run its course till completed in accordance with terms and conditions of the contract
- ii) To stop further supplies with or without financial repercussions.
- iii) To cancel the purchase order with or without reservation or rights.

Note: While determining liquidated damages the purchaser shall not consider any of the following circumstances, a cause under "FORCE MAJEURE" and shall not allow any relaxation in the liquidated damages on the account: -

- i) Delay on part of the purchase order or in the arrangement of raw material;
- ii) Defect or failure occurring to any machinery or equipment installed at the contractor works during the currency of the purchase order.

10. RESPONSIBILITY FOR EXECUTING THE PURCHASE ORDER:

You are entirely responsible for the successful executing of the purchase order in all respects in accordance with the terms and conditions as specified in the purchase order including the schedule.

11. INSPECTIONS AND REJECTION:

- i) The inspecting officer may reject a part or the whole of the consignment tendered for inspection. If after inspection such portion thereof as he may decide on his discretion he is satisfied that the consignment is below the requirements of the particulars governing the supply given in the purchase order.
- ii) The decision of the inspecting officer shall be binding on you.
- iii) If the stores are rejected as aforesaid, then without prejudice to the right of the purchaser you may submit stores in replacement of those rejected. By re-submission will not mean extension of delivery period.
- iv) On final rejection the purchaser shall have the following rights: -
 - a) To purchase the rejected goods at your cost and expense.
 - b) To terminate the purchase order and recover from you the loss, the authority thereby incurs.

12. PACKING:

You will be responsible for packing the store suitable for transit by Rail/Road so as ensure their being free from loss or damage on arrival at destination. The packing of the stores shall be done by and at your expense in accordance with the standard specifications governing such packing. In case there are no standard specifications, goods will be packed according to the trade practice to ensure safe receipt at destination.

13. FORFEITURE OF SECURITY BOND/ GUARANTEE (PERFORMANCE BOND):

The contracting officer will have the right to **forfeit the Security / Performance Bond.**

A) If the contractor: -

- i) fails to supply the goods within the time specified; even after deduction of L/D or after expiry of specified / extended delivery schedule.
- ii) Commits any breach of purchase order, which is not limited to the following.
 - Involved in any malpractice, misconduct, act of cheating / fraud.
 - Continuous failure of prototype sample.
 - Non-supply of material.
 - Very delayed supply of material resulting in loss to purchaser.
 - Defective / bad quality supply of material.
 - Non-replacement of defective material during warranty period.
 - Non-provision of back up services / support etc. etc.
 - Refusal to provide testing facilities as per satisfaction of Engineer(s)/inspector(s) as per WAPDA specification.

- Fails continuously to ship the inspected material in specified / extended time period.
- Fails continuously to supply / provide / handover the shipping documents in specified/extended time period.
- Fails to deposit the port damagers charges levied on account of delay on the part of contractor / supplier or its local agents.
- iii) fails to account for the import license issued on account of the purchaser / MEPCO;
- iv) fails to account for the raw material secured by the contractor against any license or permit issued on account of the contracting officer.
- v) to return drawings, design or any material belonging to the contracting officer which was to be returned in good condition to the contracting officer after the successful termination of the purchase order.

B) For other reasons specified in the purchase order by the contracting officer for forfeiting the security deposits.

If the forfeiture of the security deposit does not compensate the contracting officer for losses suffered due to non-delivery or breach of purchase order for any other reason, the contracting officer will have a right to forfeit other security deposits or to recover the same from any other security deposits made in favor of any other unit of WAPDA or from any money due to the contractor from any unit of WAPDA.

14. LAWS GOVERNING THE PURCHASE ORDER:

The purchase order shall be governed by the Laws of Pakistan as amended from time to time, subject to the above conditions, a binding purchase order has been concluded with the issuance of this letter and that the provisions of this purchase order shall be binding on you, on your assigns, executors, administrators and all those who have any interest pecuniary or otherwise in your concern.

15. DISCLOSURE CLAUSE:

Signing of Integrity pact by the supplier / firm for contract exceeding 10 million has been made mandatory as defined vide Ministry of Finance D.O. No. 6(4)/2005-B&F dated 17.08.2006. This certificate (copy enclosed) termed as "Disclosure Certificate" is to be furnished on firm's letter pad. Non-receipt of Disclosure certificate within 07 days may tantamount cancellation of this purchase order.

16. ACCEPTANCE OF PURCHASE ORDER:

Please acknowledge receipt and convey acceptance through your covering letter at the earliest, but not later than 15 days from the date of issue of Purchase order. This will become a binding contract between MEPCO & your firm.

17. This issues with the approval of Chief Executive Officer MEPCO Ltd. Multan.

Yours truly,

**MANAGER (M.M)
MEPCO LTD. MULTAN**

Copy to: -

1. Chief Engineer (Operation) Distribution MEPCO Ltd. Multan.
2. Chief Engineer (M.I) WAPDA Sunny View Lahore.
3. Finance Director MEPCO Ltd. Multan. He is requested to ensure opening of L/C within 15 (fifteen) days from the issue date of purchase order positively. Any delay in this regard would entirely be your responsibility.
4. Dy. Manager (MM) MEPCO Regional Store Multan, Bahawalpur, Sahiwal & D.G. Khan.