

**PAKISTAN
WATER AND POWER DEVELOPMENT AUTHORITY
(POWER WING)**

**GENERAL CONDITION OF CONTRACT
FOR PURCHASES
BY ALL OFFICERS OF POWER WING, WAPDA**

**(Introduced with effect from 01-10-1969 in Corporating to date)
(12th August, 1984)**

C O N T E N T S

PAGE NO.

1.	DEFINITIONS.	1
2.	ABBREVIATIONS USED	2
3.	PARTIES TO THE CONTRACT.	2
4.	SUBMISSION OF TENDERS	2
5.	OPENING OF TENDERS	3
6.	CONSIDERATION OF TENDERS	3
7.	VALIDITY OF OFFERS	4
8.	DELIVERY	4
9.	NOTICE TO INSPECTOR BY CONTRACTORS	5
10.	WARRANTY CLAUSE	5
11.	LIQUIDATED DAMAGES, FAILURE AND TERMINATION	5
12.	FORCE MAJEURE	6
13.	FORFEITURE OF SECURITY/PERFORMANCE BOND	6
14.	SALES TAX AND OTHER GOVERNMENT DUTIES	6
15.	PACKING	6
16.	PACKING MATERIAL	6
17.	MARKING OF PACKAGES	7
18.	RESPONSIBILITY FOR EXECUTION THE CONTRACT	7
19.	INSURANCE	10
20.	FOREIGN EXCHANGE FOR IMPORTING RAW MATERIAL	10
21.	RESPONSIBILITY FOR DISPOSAL OF IMPORTED RAW MATERIAL	11
22.	INSPECTION	11
23.	PAYMENT	12
24.	INDEMNITY	14
25.	LAWS GOVERNING THE CONTRACT	14
26.	SPECIFICATION	14
27.	TERMS OF CONTRACT/ORDER	14
28.	PERFORMANCE BOND/BANK GUARANTEE	14
29.	TESTING	15

1. **DEFINITIONS:**

- i The term "The Contract" shall mean the invitation to tender, instructions to tenderers, the tender, acceptance of tender, "Particular" hereinafter defined and those general and special conditions that may be added in the purchase Order.
- ii "The Contractor" shall mean the person, firm or company with whom the order for the supply is placed and the term Contractor shall be deemed to include contractors, successors executors, share holders, representatives and administrators unless specially excluded.
- iii The term "delivery" shall mean delivery by dates specified in the purchase order of stores which are accepted by the Inspector after carrying out necessary tests and not the submission of the stores which are not to the required standard or which are not delivered by due dates.
- iv "WAPDA" shall mean Water & Power Development Authority West Pakistan as constituted under WAPDA Act of 1958 and shall include all persons signing for and on behalf of WAPDA.
- v "Authority" unless used in a different context shall mean WAPDA.
- vi "Contracting of officer" regardless of designation, shall mean all officers authorized by Wapda to enter into contract for supply of stores with any Contractor.
- vii "Tenderer" shall mean any person, signing for and on behalf of a firm or company submitting the tender. "Tender" shall mean a complete bid submitted by a tenderer including all requested informations, drawings and designs date simples, if any, and other pertinent information.
- viii The term "Drawing" shall mean the drawings and plans specified in the Schedule or specifications.
- ix The term "Inspector" shall mean any person or firm nominated by or acting on behalf of the Contracting Officer, to inspect suppliers or stores and shall include duly authorized agent of the Inspector.
- x The term "Material" shall mean all the equipments and materials required or used in the manufacture of stores by the Contractor.
- xi The term "Particulars" shall mean and include the following: -
 - a) Specifications.
 - b) Drawing(s)
 - c) Sealed Pattern denoting a pattern sealed and signed by the Contracting Officer/Inspector.
 - d) Certified or sealed samples denoting a Certified copy or sealed samples sealed by the Contracting Officer for guidance of the Inspector.
- xii "Trade Pattern" or "Trade quality" shall mean a general standard of the industry relating to an item obtainable in the open market and not governed by any standard specifications.
- xiii "Accepted go as" shall mean the goods offered in term of the contract and declared acceptable by the Inspector.
- xiv The term "test" shall mean such test or tests as are prescribed by the specification (s) or considered necessary by the purchase or Inspector.

2. **ABBREVIATIONS USED.**

F.C.S	Free delivery to consignee stores duly unloaded in stores.
F.C.R	Free on Rail
F.O.B	Free on Board
C & F	Cost and Freight.
C.I.F	Cost, Insurance, Freight.

I / O Indenting Officer.
C / O Contracting Officer
R / R Railway receipt

3. **PARTIES TO THE CONTRACT.**

Parties to the contract which is forth supply of store are the contractor and the WAPDA Contracting Officer signing the contract.

4. **SUBMISSION OF TENDER**

- a) Tenderers shall send their tenders duly signed and sealed in a cover superscripting:-
- i The name of the Purchasing Agency.
 - ii The No. and Date of the invitation of tender.
 - iii Time and date of the receipt of tender.
- b) Tenders shall be submitted in the form, manner time and place as specified in the tender schedule. All terms and conditions particularly relating to time, quality price etc, shall be brought out clearly by the tenderer. Submission of a tender shall mean acceptance of all terms and conditions as laid down here and general conditions of contract unless expressly mentioned by the tenderer to the contrary. DGM (IC) Dist: WAPDA will take cognizance only of what has been submitted in the tender as a signed declaration and may ignore take no notice of what has been embodied in the printed conditions of the tender form of the tendering firm in their own stores typed form.
- c) Tender shall be signed by person who has an authority to enter into a contract with the DGM (IC) Dist: WAPDA a person signing tender form or any documents forming part of the contract on behalf of another person shall be deemed to warrant that he has authority to bind such other hand no authority to do so, the DGM (IC) Dist: WAPDA may without prejudice to other civil and criminal remedies, cancel the contract and hold the signatory liable for all costs and damages.
- d)
- i The tender shall be complete in respect of all requested information, technical particulars drawings, design and sample when required, price schedule special conditions, if any an any other pertinent information necessary for prepare evaluation of the tender. The complete tender as described above shall herein after be called the tender and the party submitting the tender shall be called the tenderer.
 - ii The tender shall be submitted in English at the following Address:
DGC (IC)
B-35, WAPDA HOUSE, LAHORE.
 - iii The tender should be sent under registered cover or may be dropped in tender box before the due time and date.
- e) All tenderers shall be required to furnish, attached to their tender Bid Bond as under:-
- i For foreign / local offers involving payment by WAPDA in foreign exchange / local currency. Tender / Bid Guarantee of an amount not less than five percent (5%) of the total value of the tender to be valid for 200 days in the form of certified or cashiers cheque of Bank draft or pay order drawn on a scheduled Bank of Pakistan or in lieu thereof a Tender/Bid Bond issued by a Scheduled Bank of Pakistan (or in case of foreign Bank under written by a Scheduled Bank of Pakistan)

prepared in the form of Tender / Bid Bond attached hereto Performa B-I.

- f) The Bid Bond / Deposit Receipt of un-successful tenderers shall be returned after the decision of purchase.
- g) Deposit receipt of Tender Fee shall accompany your tender.
- h) Only one rate (on average basis) shall be quoted for all the consignee's stores on "Free delivery to consignee's stores basis" inclusive of unloading at consignee's stores. Please see clause-8

5. **OPENING OF TENDER**

Tenders or quotation above Rs.5,000/- shall invariably be opened in public i.e. in the presence of one representative of each tendering firm who may care to be present at the time of opening of tenders. Unauthorized representatives or representatives firms who have not submitted a tender would not be allowed to be present.

6. **CONSIDERATION OF TENDER**

- a) Invitation to tender is without engagement and the purchaser before placing the Purchase order reserves the right:
 - i To Scrap the enquiry.
 - ii To increase and decrease the quantity.
 - iii To delete any item.
- b) Tenders who don't fulfill the tender conditions are likely to be ignored.
- c) No tender shall be considered if:
 - i It is received after the time and date fixed for its receipt;
 - ii The tender is unsigned.
 - iii The offer is ambiguous
 - iv The offer is from a firm blacklisted by WAPDA
 - v The offer is without any Tender Bond/Deposit Receipt for earnest money.
 - vi The offer is far stores not conforming to specifications specified in the tender enquiry;
 - vii The offer is not accompanied with literature and / or sample;
 - viii The offer is not accompanied with signed bid scheduled;
 - ix The validity period of the offer is less than 200 days from the date of opening.
- d) The DGM (IC) Dist. WAPDA, reserves the right to reject any tender if:-
 - i The stores offered are not sound technically or will not serve the purpose for which the stores are required.
 - ii It is linked up with price variation against an offer invited on a firm and final basis, or received with a delivery period which is not specified and does not permit the purchase of stores within the specified period;
 - iii Are materially and substantially different from tender conditions.
- e) The DCM (IC) Dist: WAPDA, is not bound to accept the lowest offer and reasons for rejecting the lowest or any offer shall not be communicated to any tenderer.

7. **VALIDITY OF OFFER**

- a) Offer shall remain open for acceptance for a period of 200-days from the date of opening of tender. Unless expressly mentioned there, otherwise by a tenderer, offer shall be deemed to remain open for acceptance for 200

days to be counted from the date of opening of tenders. No. reduction in this period shall be acceptable.

- b) Withdrawal or any modifications of the original offer within the validity period, shall entitle the purchaser to encash the Tender bond bank deposit receipt in favour of the Authority for to take suitable action against the registered firm, such as putting a ban on future enquiries or renewal from the list of approval suppliers.

8. **DELIVERY**

- a) The time and date of delivery of store stipulated in the purchase Order shall be deemed to be the essence of the contract and delivery must be completed not later than the date's specified therein.
- b) The term "DELIVERY DATE" shall mean.
 - i In case of Ex-works Delivery: the date of inspection as indication the inspection Certificate would be reckoned as the date of delivery in respect of goods shown as accepted in the Inspection Certificate.
 - ii In F.O.R contracts the date on which accepted goods have been loaded into wagons and R/R obtained.
 - iii In F.O.R. Destination station contracts the date on which accepted goods reach the destination Railway Station.
 - iv In case of fee delivery at Consignee stores The date of Inspection shall be reckoned as date of delivery provided the goods accepted for supply have been delivered and duly unloaded at the consignee stores within twenty (20) days of date of issue of Inspection Certificate.
- c) In F.O.B Contracts, the date on which accepted goods are offered to the shipping agents for arranging transportation.
- d) C & F and C.I.F Contracts the date on which ship carrying accepted goods berth at Karachi port.

9. **NOTICE TO INSPECTOR BY CONTRACTORS:**

Notice in written shall be sent by the Contractor to the Inspector when the stores to be supplied are ready for inspection and test. The Contracting Officer is responsible for immediately notifying the Contractor if submission of stores is to be retarded or stopped altogether. Stores accepted by the Inspector within the delivery period specified and in accordance with the terms of the contract shall be come. Authority's property and shall be not used, delivered or diverted by the Contractor to a person or place other than that specified by the Contracting Officer.

10. **WARRANTY**

- a) **FOR FOREIGN CONTRACTORS:** You should include in the list of documents a Letter of Warranty from your Manufacturer to the effect that the goods offered for shipment conform exactly to the specifications laid down in your tender and in this Contract and that the goods in question have also been tested and checked by your principal prior to packing and dispatch and that the goods in question are now and free from all defects and that relevant of goods being found old or defective or not conforming to the specifications or not in conformity with the test certificate you will be held responsible for all losses and that you agree to substitute the unacceptable goods with the acceptable goods at your risk and cost. You

further agree to accept and abide by the decision of the Authority in all such matters.

- b) FOR LOCAL CONTRACTS: Warranty Certificate certifying that the goods supplied conform exactly to the Specifications laid down in the Contract and are brand new and that in the event of the material being found defective or not conforming to the specifications/Particulars governing supply you will be held responsible for all losses and that the unacceptable goods shall be substituted with the acceptable goods at your expense and cost.
- c) PERIOD OF WARRANTY FOR BOTH FOREIGN & LOCAL CONTACT: Any defect developed due to bad manufacture or Design within 12-months from the date of installation of material or 18-months from the date of its supply/shipment whichever is earlier shall be replaced / removed by you free of cost. Payment to the supplier will be released after deducting Liquidated damages in case delay is involved for supply of material.

11. **LIQUIDATED DAMAGES, FAULEURE AND TERMINATION**

If the contractor fails to deliver the stores or any consignment thereof within the specified delivery period, the Contracting Officer, shall be entitled, at his option either.

- i To recover from the Contractor Liquidated damages levied at the rate of 2 percent per month or part thereof the Liquidated damages shall be recovered only for the stores supplied late except where undelivered stores hold up the use of other stores, when it shall be for the total value of the Contract. The recovery of liquidated damages mentioned above can be affected from any payment due to the contractor from any unit of WAPDA. OR
 - ii To purchase from elsewhere without notice to the Contractor at the risk and cost the Contractor the stores not delivered, without canceling the contract in respect of the consignment not yet due for delivery. OR
 - iii To cancel the contract at the risk and cost of the Contractor. In the event of action being taken under (ii) or (iii) above, the Contractor shall be liable for any loss which the Contracting Officer may suffer on that account, but the Contractor shall not be entitled to any gain or re-purchase made against supply order placed on him.
- b) If during the course of execution of a contract the Contractor is blacklisted by Wapda the Contracting Officer may proceed with all or any of the actions detailed below:-
- i To allow the contract to run its course till completed in accordance with the terms and conditions of contract.
 - ii To stop further supplies with or without financial repercussions.
 - iii To cancel the contract with or without reservation of rights.

12. **FORCE MAJEURE:**

The right of the Authority to terminate the Contract 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 Contract, by the Manufacturer or the suppliers or the contract has become incapable of being performed:-

- i Act of God.
- ii Act of state war or any Act of the enemy.

- iii Strikes, Lock-out, Riots or Civil Commotion
- iv Injunction granted by a Court of competent jurisdiction not resulting from any fault of the Manufacturer or Supplier.
- v Restriction imposed by the Government on the Import of any material relating to the manufacture, of goods.
- vi Non receipt of raw material from aboard for reason beyond the control of the Manufacturer.
- vii Port delays due to bunker age or lighterage.
- viii Diversions of suppliers by the Carrier without any fault or knowledge of the Manufacturer or suppliers.

Provided further that the Manufacturer or supplier given notice to the Authority with in 14-days of the happening of any such event.

13. FORFEITURE OF SECURITY / 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.
- ii Commits any breach of contract.
- iii Fails to account for the Import Licence issued on account of the purchase.
- iv Fails 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 contract.

(b) for other reasons specified in the Purchase order by the Contracting Officer for forfeiting the security deposit.

If the forfeiture of the security deposit does not compensate the contracting officer for losses suffered due to non-delivery or breach of contractor for any other reasons, the Contracting Officer will have the right to forfeit other security deposits made to him by the Contractor against any other contract or to recover the same form any other security deposit made in favour of any other unit of Wapda or from money due to the Contractor form any unit of Wapda.

14. SALES TAX AND OTHER GOVERNMENT DUTIES.

The rates quoted on Ex-Works and F.O.R. basis shall included all taxes, surcharges and duties. The rate quotation free delivery consignee stores shall include freight, octroi and unloading charges at consignee stores in addition to taxes surcharges and duties. If the tenderer fails to specify clearly that the rates quoted by him are inclusive of sales tax, other government duties and octroi charges it shall be presumed by the Purchaser that the offer includes all such taxes etc referred to above.

15. PACKING.

The Contractor shall be responsible for the stores sufficiently and properly packed for transit by Rail, Road and Sea so as to ensure their being free from loss or damage on arrival at destination. The packing of the stores shall be done by and at the expense of the Contractor 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.

16. PACKING MATERIAL.

All packing cases, containers etc, shall be supplied free by the contractor and same will not be returned unless expressly mentioned in the Purchase Order.

17. MARKING OF PACKAGE.

Each bale or package delivered under the contract shall be marked by and at the expense of the contractor, Markings shall be distinct and clear (all previous marking being carefully obliterated). Marking should be accordance with instructions given in each purchase order but the word "WAPDA" should be shown on top. In case these instructions are not followed, the loss, if any due, to defective or incorrect marking shall be to the contractor's account.

18. RESPONSIBILTY FOR EXECUTING THE CONTRACT:

- A) The Contractor will be entirely responsible for the successful execution of the contract in all respects in accordance with the terms and conditions as specified in the contract, notwithstanding any approval which the Inspector may have given in respect of the stores, material or other parts of the work or the test certificates given by the Contractor or the manufacturer, If the inspected and accepted goods when received at destination are found defective or not conforming to the specifications/particulars given in the Purchase order or have deteriorated as a result of defective packing or some other reason, or certain defects which could not be detected at the time of first inspection are noticed, the Authority reserves the right to carry out see and inspection, through an independent Inspection Agency within 1 ½ months of the receipt of goods. The findings of the independent Inspection Agency shall be binding on the supplier and if an a result of second inspection the goods are found to be incorrect quality or not conforming to specification, particulars or sub-standard, the Authority may exercise any one of the following options and the Contractor shall comply with the decision of the Authority: -
- i to ask the supplier to replace rejected goods with the acceptable goods at destination at his risk and cost.
 - ii To accept the sub-standard goods at reduced price and deduct any amount, if already paid in excess of the reduced price.
 - iii To cancel the contract and make risk Purchase. The extra amount, if paid shall be recovered from the defaulting Contractor but any reduction as a result of risk purchase will not entitle the defaulter to get any advantage. This condition as incorporated in clause 10(A) shall apply to all types of contracts viz, ex-works, ex-mill, F.C.S. F.O.R, F.O.B, C&F and C.I.F.
- B) In the case of ex-mill, ex-worked contracts the contractor shall: -
- i Bear all costs and risks of the goods until such time as the Contracting Officer can take delivery of the goods,
 - ii Render the Contracting Officer at the Contracting Officer request and expense, assistance in obtaining transport required for purposes of forwarding the accepted goods at destination.
 - iii if required by the Contracting Officer arrange transportation at the expense of the Contracting Officer (any such expenses must be actual or reasonable). In case of any doubt the Contractor shall have to obtain Contracting officer's approval for incurring expenditure which is not normal.
- C) In F.O.R. Station of dispatch contractors, the Contractor: -
- i Shall have to place goods in the Railway Wagons which shall be indented by him well in advance

- ii Shall pay all loading charges and while loading exercise due care in handling the goods more particularly if the stores are delicate or fragile;
 - iii If not expressly mentioned otherwise, dispatch the goods by goods train;
 - iv If not expressly provided otherwise book the material on Freight Paid and at Railway Risk basis. If there are any restrictions on Railway Risk Booking, the goods may be consigned at owner's risk, and the payment of railway freight be claimed at actual as separate item in the contractor's bill;
 - v The railway receipt along with covering letter that goods have been dispatched at railway Risk/Owner's risk, shall be sent under a registered cover acknowledgement due to the correct post 1 address confirmatory letter showing R/R No. and date, Purchase Order No. and date, quality and quantity of goods should also be sent to the consignee by ordinary post;
 - vi In the case of hazardous goods or goods of fragile nature, special marking shall be made on each consignment clearly indicating the nature of store and handling instruction;
 - vii While indenting Wagons for cement or any material likely to be spoiled by water, care shall be taken to load the same in sound and leak proof wagons. (loss due to failure to exercise due caution, shall be recovered from the Contractor).
 - viii Shall be responsible for any loss, thefts, damage, until goods have been placed in proper wagons and a Railway Receipt obtained from the Railway authorities.
- D) In F.O.R destination contracts the Contractor shall be responsible till such time goods have been received at the destination station. The contracting officer's rights and privileges shall be the same as for F.O.R. station of dispatch contractor under para 19 (C) above.
- E) In free delivery to consignee stores contracts the Contractor shall be responsible till such times goods have been delivered duly unloaded to the consignee.
- G) In F.O.B. contracts, the responsibilities of the Contractor shall be the same as in the case of F.O.R contracts and the following: -
- i Contractor shall pay all charges incurred in placing goods actually on Board the vessel selected by the shipping Agent of Wapda,
 - ii Loss due to failure to bring, the goods on date and time fixed by the shipping Agent shall be borne by the Contractor and this recovery of loss shall not indemnify the contractor from penalties to be imposed for delay in respect of goods, consequent on this failure,
 - iii Contractor shall provide clear ships receipt and other shipping documents like bill of lading etc,
 - iv Contractor shall be responsible for any loss or damage or both until goods have been placed on board the vessel.
- G) In C&F / C.I.F contractors the responsibilities of the contractor shall be the same as these under para 10 (E) and in addition he shall
- i Provide and pay for transportation upto Karachi,
 - ii Pay export takes or other fee or charges, if any levied because of expiration.
 - iii Obtain and dispatch promptly to the Resident Representative, Wapda 152-J/2 P.E.C.H Society Karachi clear bill of lading and other shipping documents which would be sent under registered cover by air-mail so as to reach 10 days in advance of the arrival of the ship carrying the goods.
- H) Should any demurrage charges be incurred due to any of the reasons mentioned below the same shall be deducted from the contractor's bill or recovered from him as separate item, the decision of the Resident Representative, Wapda, Karachi, in the case of F.O.R C&F and C.I.F contractors and that of the

Contracting Officer in the case of ex-works and F.O.R contracts regarding fixation of responsibility in this connection shall be binding on the Contractor:

I) For Imported Stores Purchased on Forward Delivery Basis:

- i Owing to delay forwarding relevant and complete set of negotiable shipping documents including packing list and original invoice showing item wise price to the Resident Representative, Wapda Karachi, 10 days in advance of the arrival of the ship carrying the goods ordered.
- ii Late receipt of documents by the Resident Representative, Wapda, Karachi to incorrect or incomplete address.
- iii Due to receipt of incorrect or incomplete documents.
- iv Defective marking or packing of the goods ordered,
- v Due to reasons not specified above but for which Contractor is responsible.

NOTE-1.

In case negotiable documents are not available, the non-negotiable documents including copy of invoice showing items wise price must be sent to the Resident Representative, Wapda, Karachi but on the condition that negotiable documents will be endorsed to the Residents Representative, Wapda Karachi, immediately on receipt. If Authority has to in our any expenditure for want of negotiable documents the same shall also be recovered from the Contractor in addition to the demurrage if incurred.

NOTE-2.

In case consignments have been packed which will necessitate obtaining over size dimension certificate (O.D.C) from Railways, the documents and the packing advice showing measurement of consignments should be sent to the Resident Representative, Wapda, Karachi at least 15 days in advance of the arrival of the ship should any demurrage charges be incurred due to late receipt of packing advice, the same will also be charged from the Contractor.

II) For Indigenous Stores Purchased:

Should any demurrage charges be incurred due to any of the reasons mentioned below, the same shall be deducted from the suppliers bills or recovered from him as a separate item (the decision of the Purchaser regarding fixation of responsibility in this connect on shall be binding on the supplier): -

- i Owing to delay forwarding the relevant railway receipt and packing list to the consignee well in advance of the arrival of wagons at destination Railway Station.
- ii Late receipt of railway receipt etc. by the consignee due to incorrect or incomplete address,
- iii Defective marking or packing of goods ordered.
- iv Due to reasons not specified above but for which the suppliers is responsible.

NOTE:

A Confirmatory letter showing railway receipt number and date, purchase order No. and date, quality and quantity of goods dispatched should also be sent in the consignee(s) enabling them to take delivery of the consignment against Indemnity Bond in the event of railway receipt not being receive by them in them.

INSURANCE:

I) FOR F.C.S Contracts.

The shipment of material either by Railway, Road, Air or any other means will be done at the contractors risk and responsibility. All losses in transit shall be at the contractors risk and the materials will have to be delivered to the consignee complete in all respects duly unloaded.

II) For terms of delivery other than F.C.S.

Unless specified by the Contracting officer to the contrary insurance of the consignment from warehouse to warehouse will be arranged by the Senior Officer Insurance, Wapda, WAPDA House, Lahore to whom the following particulars should be furnished:

- i Nature of goods and packing list.
- ii C&F / F.O.R value of the goods.
- iii Name of vessel, delivery receipt No. & date.
- iv Date of sailing of the vessel/date of dispatch of the Railway Wagon.
- v Expected date of arrival of the vessel / railway wagon at destination.
- vi Name of the consignee.

If the above information not furnished in time, the loss in transit, if any, shall to the contractor's account.

19. **FOREIGN EXCHANGE FRO IMPRTING RAW MATERISL**

While submitting offers for the stores to be manufactured locally the tenderer shall give on timewise breakup indicating the itemwise current prices of the raw materials to be imported and the total foreign exchange involved.

20. **RESPONSIBILITY FOR DISPOSAL OF IMPRTED RAW MATERIALS.**

Where any raw materials for the execution of the contract are procured with the assistance of wapda either by issue from Wapda stocks or permit(s) or Licence(s) on Wapda account, the Contractor shall hold the said materials as the trustee for Wapda and use such materials economically and solely for the purpose of the contract against which they are issued or obtained and not dispose them of without the permission of the Contracting Officer and return, if required by the Contracting Officer, all surplus or unserviceable materials that may be left with him after the completion of the contract or at its termination for any reasons whatsoever on his being paid such price as the Contracting Officer may fix with due regard to the quality, current and actual price paid by the Contractor.

In the event of the breach of the aforesaid conditions, the Contractor, in addition to throwing himself open to action for contravention of terms of import licence and / or for criminal breach of trust, shall be liable to account to Contracting Officer for all moneys, advantages or profits resulting on which in the usual course would have resulted to him by reasons of such breach.

21. **INSPECTION**

a) **Facilities for test and Examination:**

The contractor at his own expense shall afford the Inspector all reasonable facilities for carrying out inspection of the goods as provided in the specification and or as followed by the industry and trade in general. The Inspector shall have full and free access at any time during the contract to the Contractor's works, for carrying out inspection of the goods on order. The Inspector shall have a right to select test samples as laid down in the specifications and to get them tested elsewhere and may ask the Contractor to keep the supplies against which sample has been drawn in bond room at the cost of Contractor.

The Contractor shall allow the use of the Contractor's laboratory, material, tools and labour free of cost provided this is either in accord with the provision of the specifications or trade practice.

b) **Stores Expended in Test.**

If the test proves satisfactory and the consignment is accepted, the quality of the stores or the material expended in the test will be paid for by the Contracting Officer if the material fails, the quality or sample expended in test will be treated as not having been delivered.

c) **Inspection and Rejection:**

I) The Inspection may reject a part or the whole of the consignment tendered for inspection, if after inspection such portion thereof as he may decide in 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 Inspector shall be binding on the contractor;

IV) If the stores are rejected as aforesaid, then without prejudice to the right of the Contracting Officer, Contractor may submit stores in replacement of those rejected but re-submission will not mean extension of delivery period.

IV) On final rejection the Contracting Officer, shall have the following rights.

c) To purchase the rejected goods at the cost and expense of the suppliers.

b) To terminate the contract and recover from the contractor, the loss, contracting officer thereby incur.

d) **Removal of rejected Stores.**

Any stores rejected by the Inspector / Consignee must be removed by the Contractor within 14-days from the date of receipt of intimation of rejection provided that in the case of dangerous infected or perishable Stores, the Inspector shall ask the Contractor to remove the same within 48 hours. Such rejected stores till remove shall be at the contractor risk and the Contracting Officer shall have the following options if not removed by the contractor.

i. to return the rejected stores at the cost and risk of Contractor.

ii. to dispose of the rejected stores at the Contractor's risk and cost.

e) In case the rejection exceeds 20 percent of the contracted quantity or value, the additional fee payable to Authority's Inspection Agent, will be recovered from the Contractor.

22. **PAYMENT:**

Payment to the Contractor shall be made as under: -

- a) In the case of F.O.B Contracts where shipment is to be arranged by Wapda's shipment agent full F.O.B Value excluding commission will be paid to the contractor's principal /Manufacturers against letter of credit to be opened by the Resident Representative, Wapda, Karachi. Initial charges of the establishment of the letter of credit will be met by the Authority. Any subsequent confirmation desired by the Contractor or corresponding Bank shall be to the Contractor's account. Once the letter of credit has been established any amendment sought by the contractor of his own accord, the charges for cancellation of the original and establishment of the second letter of Credit will be to the Contractor's account. In case the second letter of Credit is to be met by the Authority. The Letter of Credits shall be normally traced out or does not retire the documents the charges for opening such letter of credit will be recovered from the Contractor and such a recovery of charges will not debar the Contracting Officer from taking any other action against the Contractor. The letter of Credit the establishment will be encashable on production of the following documents: -
- i invoice showing itemwise prices;
 - ii Warranty Certificate as per Clause-10;
 - iii receipt certificate from Wapda's shipping agent clearly showing that the goods as specified in the contract have been put on board the ship in sound condition and in sea worthy packing.
 - iv copy of inspection certificate issued by Authority's Inspector or his duly nominated representative.
- a) In the case of C & F and C.I.F Contracts, the Resident Representative Wapda Karachi will open a confirmed and irrevocable letter of credit for the total C&F value excluding contractor Commission, in favour of the Contractor's Principals / Manufacturers. The remedies and privileges of the Contracting Office shall be the same as mentioned in the case of F.O.B contracts. The above letter of Credit established by the Authority shall be encashable on production of the following documents: -
- i Original invoice showing itemwise prices;
 - ii warranty certificate as per clause 22-A (ii) above.
 - iii manufacturer's test certificate (provided this is one of the conditions of the contract) confirming that the goods supplied conform exactly to the detailed specifications of the Purchase order.
 - iv contribute from the Authority's Inspector or his authorized representative,
 - v bill of lading, packing list and other shipping documents from shipping lines concerned at actual but not exceeding the freight allowed in the Purchase Order.

Note:-

In respect of F.O.B and C&F contracts the following documents shall be endorsed to the Resident Representative, Wapda, Karachi under registered cover by air mail so as to reach him 10-days in advance of the arrival of ship carrying contracted goods: -

- a) 8 copies of the Manufacturers/suppliers original invoice showing itemwise prices;
- b) 8 copies of packing list.
- c) 4 copies of the Inspection Certificate showing quality and quantity of the goods inspected.
- d) 4 copies of the certificate of the origin,
- e) 4 copies (Photostat) of the test certificate if that was the condition of the Contract.
- f) 4 copies of the Guarantee Certificate if that was the condition of the Contract.

If the above documents are not sent in time, or do not reach the Resident Representative, WAPDA Karachi, in time due to incorrect address or for any other reasons, losses due to late receipt of document will be to the Contractor's account and recoverable in the same manner as any other claim.

- C) In the case of F.O.R and Ex-works contracts upto 90% by Manager Finance Distribution WAPDA as specified in the Purchase Order on production of following documents;
 - i Supplier's bills in triplicate,
 - ii Copy of inspection certificate issued by the authority's Inspectors;
 - iii Warranty certificate as per clause 22-A(iii above),
 - iv railway receipt of Photostat copy of the Railway Receipt or Certificate from the Station Master concerned certifying that the goods of the description, quantities contained in the railway receipt have been dispatched on the date & payment will be made by Manager Finance Distribution in each individual Purchase Order.

V shall be paid by Manager Finance Distribution WAPDA on receipt of Certificate to from the Consignee that the total quantity covered under the Purchase Order has been received in accordance with the terms and conditions of the contract.
- D) In the case of Free Delivery to consignee stores documents: -
 - a) 90% payment on production of following documents; -
 - i Supplier bills in triplicate,
 - ii Copy of the Inspection Certificate issued by the Authority's Inspectors,
 - iii Warranty certificate as per clause 10. delivery Challan duly signed as receipt for materials by consignee or his authorized representative.
 - b) Balance 10% on production of formal goods received Note duly signed by the consignee.
- E) Bills submitted by supplier will be either passed for payment or rejected by competent authority within a week of the date of submission. Objections on the rejected bills shall be raised only once and not in piece meal.
- F) Bills passed for payment shall be paid within thirty (30) days of their date of passing.
- G) After the expiry of thirty (30) days period, interest @five (5) percent per annum will be paid WAPDA on the unpaid amount of a passed bill from the date of expiry of 30 days period to the date of payment.

24. **INDEMNITY:**

The contractor shall at all times indemnify the contraction office against all claims which may be made in respect of stores for infringement of any right protected by patent, Registration of Design or Trade Hark and shall take all risk of accidents or danger which may cause a failure of the supply from whatever cause arising and take the entire responsibility for the sufficiency of the means used by contractor for the fulfillment of the contract PROVIDE ALWAYS that in the event of any claim in respect of alleged breach of Letters patent Registered Design or Trade Mark being made against the contracting Officer, the contracting officer, shall notify the contractor of the same and the contractor shall be liberty at his own expense to settle any dispute or to conduct any litigation that may arise therefrom.

25. **LAWS GOVERNING THE CONTRACT:**

The contract shall be governed by the Laws of Pakistan as amended from time to time.

26. **SPECIFICATION:**

Where specifications of items covered by this tender are not laid down the items must conform to relevant British standard specifications in respect of materials and manufacturer.

27. **TERMS OF CONTRACT / ORDER:**

- a) Acceptance of a tender shall be indicated by WAPDA either by issuing letter of intent or a formal Purchase Order or both.
- b) Before issuing a formal order or signing the contract WAPDA, at its discretion, may ask the successful bidder to furnish one, or all the documents stated in condition No.28, below or any combination thereof to satisfy as to the bonafide of the tenderers.

28. **PERFORMANCE BOND / BANK GUARANTEE:**

- a) For Foreign Contracts:
 - i) Bank Guarantee to the extent of ten percent (10%) of the value of the Purchase Order.
 - ii) Bank Reference.
 - iii) Previous experience or references.
 - iv) Preference Bond on Performa P-1, to the extent of ten percent (10%) of the total F.O.B. value of the Purchase Order in case of F.O.B/C&F, C.I.F, Contractors.
- b) For local contractor not involving any Foreign Exchange.
Performance bond to the extent of five percent (5%), of the total value of the purchase order.

29. **TESTING:**

- i) The testing facilities available with the manufacturers shall be utilized without any charge and all tests shall be supervised by WAPDA Representative.
- ii) In case necessary testing facilities are not available with the firm, the samples shall be tested at WAPDA's Research & Test Laboratory Faisalabad and in case of non-availability of the requisite facilities there, at any other recognized laboratory. All charge involved shall be bone by the contractor.

