**W-5**

**(E-tendering)**

**PROCUREMENT OF CIVIL WORKS**

**THROUGH**

**REQUEST FOR QUOTATION**

**(RFQ)/SHOPPING PROCEDURES**

***(Item Rate tender)***

***(Two-Envelope with e-Procurement)***

***(To be used for Contracts valued less than the equivalent of US $ 100,000 i.e. INR 65.0 lacs each)***

 *[The Implementing Agency should delete the guidance notes in the Model Bidding Documents, while finalizing the bidding Document for a specific package.]*

*[Tender Call Notice Period to be used:*

1. *Work Costing from Rs. 5 lakh to Rs. 50 lakh - Min. 10 days*
2. *Work Costing from Rs. 50 lakh to Rs. 65 lakh - Min. 15 days]*

***Note:***

1. *Tender notice to be advertised in press.*
2. *Tender notice should be forwarded to the Director, Public Relation, Punjab well in advance, so that there is a clear notice period as noted above after the publication of tender notice in press.*
3. *Letter may also be addressed simultaneously to Contractor Unions of the District and Assistant Registrar, Co-operative, L&C Societies of the district under postal certificates.*

**December 2018REQUEST FOR QUOTATIONS**

**Procurement of Works under RFQ/Shopping Procedures**

E-Procurement Notice

***(Two-Envelope with e-Procurement Bidding Process)***

**Project:** Punjab Rural Water & Sanitation Sector Improvement Project

**Contract title:** *[insert the name of the contract]*

**RFQ No:** *[insert RFQ reference number from Procurement Plan i.e. Procurement Number]*

**Date:** *[insert date when RFQ is issued to the market]*

1. Government of India has received financing from the World Bank towards the cost of the Punjab Rural Water & Sanitation Sector Improvement Project and intends to apply part of the proceeds of this credit to eligible payments under the contract for which this request for quotations is issued. The Chairman GPWSC, village ………, Block ………… Distt……….. through Executive Engineer, Water Supply & Sanitation Division no. …….. invites quotations electronically from eligible bidders for construction of the following works.

|  |  |  |
| --- | --- | --- |
| Brief Description of the Works | Approximate valueof Works (Rs.) | Period ofCompletion + O & M Period of 3 months |
|  |  |  |

2. This e-Procurement notice includes the following documents[[1]](#footnote-2) to facilitate preparation and submission of quotations, criteria for qualification, evaluation, and for award of contract; and relevant forms to be filled by the bidders. Implementing Agency has not issued a separate RFQ document for this purchase. The e-Procurement notice including the various documents and forms to be filled etc. can be downloaded free of cost by logging on to the website https://eproc.punjab.gov.in*.* The bidders would be required to register in the website.

 i. Layout Drawings of the works;

 ii. Structural Details;

 iii. Detailed Bill of Quantities, with estimated rates and prices;

 iv. Technical Specifications;

 v. Instructions to Bidders;

 vi. Qualification Information;

 vii. Format for Submission of Quotation;

 viii. Criteria for Evaluation and Award of Contract;

 ix. Relevant Forms; and

 x. Draft Contract Agreement format which will be used for finalizing the agreement for this Contract.

3. For submission of Quotation, the Bidder is required to have Digital Signature Certificate (DSC) from one of the Certifying Authorities authorized by Government of India for issuing DSC. Bidders can see the list of licensed CA’s from the link ([www.cca.gov.in](http://www.cca.gov.in)). Bidders who have not obtained the user ID and password for participating in e-procurement in this Project, may obtain the same from the website: https://eproc.punjab.gov.in

4 The bidders are required to pay online bid security, bid document cost and the bid processing fee through e-payment for this contract as specified in website.

5. Quotations, both Technical Part and Financial Part shall be submitted on *https://eproc.punjab.gov.in* on or before.........hours on............. *(date).* Any quotation or modifications to quotation received outside e-procurement system will not be considered. The electronic bidding system would not allow late submission of quotations. The ‘Technical Part’ of the Quotations will be opened online on the next date after last date for submission of bids i.e. on ………… *(date)* at........... hours, this can also be viewed by the bidders online. The electronic summary of quotation opening of technical part will be generated and uploaded online.

6. If the implementing agency’s office happens to be closed on the date of opening of the Quotations as specified, the ‘Technical Part’ of the Quotations will be opened on the next working day at the same time. The Financial Parts of the Quotations shall remain unopened in the e-procurement system, until the subsequent online opening, following the evaluation of the Technical Parts of the Quotations.

7. Other details can be seen in the RFQ document. The implementing agency shall not be held liable for any delays due to system failure beyond its control. A Bidder requiring any clarification of the RFQ document may notify the Implementing agency online or may visit the office of the implementing agency at the address given below.

*[Insert name of office]*

*[Insert name of officer and title]*

*[Insert postal address and/or street address, postal code, city and country]*

*[Insert telephone number, country and city codes]*

*[Insert facsimile number, country and city codes]*

*[Insert email address]*

*[Insert web site address]*

**Instructions to Bidders**

**SECTION - A**

**1. Scope of Works**

The Chairman GPWSC, village ………, Block …………. Distt………. through Executive Engineer, Water Supply & Sanitation Division no. …….. invites quotations for the construction of works as detailed in the table given below

|  |  |  |
| --- | --- | --- |
| Brief Description of the Works | Approximate value of Works (Rs.) | Period of Completion+ O&M period of 3 months |
|  |  |  |

The successful bidder will be expected to complete the works by the intended completion date specified above.

**2.** **Qualification of the bidder**

**2.1.** **Qualification Information to be provided by the Bidder**: the bidder shall provide information on his qualification which shall include:-

(a) Total monetary value of works executed by him for each year of the last 3 years i.e. financial years 2015-16, 2016-17 and 2017-18;;

(b) List of works (similar to the works described in Para 1) completed satisfactorily as a prime contractor during the last 3 years, enclosing certificates from the respective Employers in support of experience claimed along with the Employers’ contact numbers;

(c) Report on his financial standing, along with last 3 years’ financial statements/Profit and Loss Statements duly certified by Practicing Chartered Accountant; and

(d) Details of any litigation, during the last 3 years in which the bidder is involved, the parties concerned, and disputed amount or award in each case (Give details of both completed and pending cases).

**2.2**. **Qualification Criteria**: to qualify for award of the contract the bidder:-

(a) Should have satisfactorily completed as a prime contractor at least one similar work(s) in one or maximum 3 contracts totaling of value not less than Rs. ……… *[IA should insert value equivalent to 60% of the estimated cost of the Work.]* in the last three years i.e. financial years 2015-16, 2016-17 and 2017-18 comprising;

 *[Project should review/delete/amplify, edit and complete items (i) to (vi) below.]*

(i) Installation of Tube Well …… *[specify minimum size/capacity];*

(ii) Installation of overhead service reservoir …… *[minimum50,000 ltr. capacity and staging height of 17 mtr or capacity put to bid, whichever is lower.];*

(iii) Water & Sewerage Distribution System having pipe length of ….km (specify length of pipeline for water supply & Sewerage);

(iv) Masonry work of ............. cum;

(v) RCC work of water supply & sewerage...........cum;

(vi) Sewage Treatment Plant............ *[specify minimum size/capacity]*

(b) Deleted

(c) Deleted

**3.** **Eligibility – Conflict of Interest**: A Bidder (a) shall not participate in more than one Quotation; (b) shall not have conflict of interest as defined in the Bank’s Procurement Guidelines and (c) should not have been (i) temporarily suspended or debarred by the World Bank Group in compliance with the Bank’s Anti-Corruption Guidelines and its Sanctions Framework; or (ii) blacklisted or suspended by Central or any State Government Departments in India.

**4.** **Clarifications & Amendments**: If the Employer receives any request for clarification of this RFQ document, it will upload its response together with any amendment to this document, on the e-procurement portal for information of all Bidders. Bidders should check on the e-procurement system, for any amendments to this RFQ document.

**5**. **Quotation Prices**

1. The quotation shall be for construction of the whole works as described in the Bill of quantities, drawings and technical specifications. Corrections, if any, in the quotation shall be carried out by editing the information before electronic submission on e-Procurement Portal.
2. All duties, taxes and other levies payable by the contractor under the contract or any other cause shall be included in the rates, prices & total bid price submitted by the contractor.
3. The rates quoted by the bidder shall be fixed for the duration of the contract and shall not be subject to adjustment on any account.
4. The rates should be quoted in Indian Rupees only.

**6.** **Preparation of Quotations**

**6.1** The bidder is advised to visit the site of works at his own expense and obtain all information that may be necessary for preparing the quotation.

**6.2** Each bidder shall submit only one quotation. Bidders shall not contact other Bidders on matters relating to this quotation.

**6.3** The quotation shall comprise two Parts, namely the Technical Part and the Financial Part. Both Parts shall be submitted online simultaneously.

**6.4** **The Technical Part of Quotation shall comprise the following**:

(a) **Letter of Quotation – Technical Part** as per Format given in Section B;

(b) **Authorization**: Power of Attorney of signatory of Quotation (Paragraph 1.1 of Qualification Information);

(c) **Annual Turnover**: Confirmation showing Annual Turnover in civil engineering construction works of similar nature in the last three financial years i.e. financial years 2015-16, 2016-17 and 2017-18. [ITB Clause 2.1 (a)];

(d) **Qualifications:**

(i) Qualification information and supporting documents relating to similar nature of works executed and payments received. (ITB Clause 2.1 (b) and paragraph 1.3 of Qualification Information);

(ii) Details of proposed sub-contractors; (Paragraph 1.4 of Qualification Information); and

(iii) Other details listed in Paragraphs 1.6 and 1.7 of the Qualification Information Form;

(e) **Complete address** and contact details of the Bidder having the following information:

Name of Firm

Address for communication

Telephone No(s): Office

Mobile No.

Facsimile (FAX) No.

Electronic Mail Identification (E-mail ID)

 (f) The Technical Part of Quotation shall not include any financial information related to the Quotation price. Where material financial information related to the Quotation price is contained in the Technical Part of Quotation, the Quotation shall be declared non-responsive.

**6.5** **The Financial Part of Quotation shall comprise the following**:

(a) **Letter of Quotation** - Financial Part;

(b) **Priced Bill of Quantities**: (using the BOQ uploaded with the RFQ document) wherein the rates shall be entered online.

**6.6 Signing of Quotations:** The name and position held by each person signing the quotation and related documents must be typed or printed below the signature.

**6.7** **Deadline for Submission of Quotations**: Quotations must be uploaded online no later than the deadline for submission of quotations viz. time ……….. (hours) and date ……… (day, month, year), as per server time. A Bidder may modify its Quotation any number of times by using the appropriate option on the e-Procurement Portal, before the deadline for submission of Quotations.

**6.8** **Validity of Quotation:** Quotation shall remain valid for a period not less than 90 days after the deadline date specified for submission.

**7.** **Quotation Submission**:

(a) The Letter of Quotation – Technical Part, and Letter of Quotation – Financial Part shall be filled, signed and scanned copies shall be uploaded along with the Priced Bill of Quantities that shall be entered using the Forms available online, without any alterations. All blank spaces shall be filled in with the information requested. Scanned copies of all other documents shall also be uploaded on the e-procurement website.

(b) All documents are required to be signed digitally by the Bidder. The System generates a Unique Quotation Identification Number, time stamped as per server time, as an acknowledgement for Quotation submission. Detailed guidelines for viewing and submission of Quotations online are given in the website.

 ***NOTE: In case any of the above said documents (even if historical in nature) are not received by us as an attachment to the bid, we shall not be liable to ask for it again and the bid shall be termed as non-responsive***

**8.** **Online Opening and Evaluation of Technical Parts of Quotations**: The ‘Technical Part’ of the Quotations will be opened online on the specified date and time. This can also be viewed by the bidders online, and electronic summary of quotation opening of technical part will be generated and uploaded online. The Financial Parts of the Quotations shall remain unopened in the e-procurement system, until the subsequent online opening, following the evaluation of the Technical Parts of the Quotations.

1. The Employer shall examine the technical part of the quotation to determine whether the quotation (a) has been properly signed (Clause 6.6); (b) meets the eligibility criteria (Clause 3); (c) is substantially responsive to the requirements of the RFQ document; and (d) meets the qualification criteria specified in ITB Clause 2.

1. Only Quotations that are both substantially responsive to the RFQ document, and meet all Qualification Criteria shall qualify for opening of the Financial Parts of their Quotations at the second online opening.
2. Employer shall notify in writing those Bidders who have failed to meet the Qualification Criteria or whose Quotations were considered non-responsive to the requirements in the RFQ document, advising them that their Technical Part of Quotation failed to meet the requirements of the RFQ document; and that their Financial Part of the Quotation shall not be opened.
3. Simultaneously Employer shall notify in writing those Bidders whose Technical Parts of Quotations have been evaluated as substantially responsive and meeting the Qualification Criteria that their Quotation has been evaluated as substantially responsive to the RFQ document and that their Financial Part of Quotation will be opened online at …. Date and ….. time.

**9.** **Online Opening and Evaluation of Financial Parts of Quotations**: The ‘Financial Part’ of the Quotations will be opened online on the specified date and time. This can also be viewed by the bidders online and electronic summary of quotation opening of financial part will be generated and uploaded online.

1. The Employer shall examine and confirm that Letter of Quotation – Financial Part and Priced Bill of Quantities are in accordance with the requirements specified in the RFQ document. If any of these documents or information is missing, the offer shall be rejected.
2. During the evaluation of Financial Parts of Quotation, the substantial responsiveness of the Quotations will be further determined with respect to those RFQ conditions that were not examined in evaluation of Technical Parts of Quotations.

**10. Award of contract**

 The Employer will award the contract to the bidder whose quotation has been determined to be substantially responsive and who has offered the lowest evaluated quotation price and who meets the specified qualification criteria.

**10.1** Notwithstanding the above, the Employer reserves the right to accept or reject any quotations and to cancel the bidding process and reject all quotations at any time prior to the award of contract.

**10.2** The bidder whose quotation is accepted will be notified of the award of contract by the Employer prior to expiration of the quotation validity period.

**11. Performance Security**

 Within 15 days of receiving letter of acceptance, the successful bidder shall deliver to the................ (Employer) the performance security (either a bank guarantee or a bank draft in favour of the Employer) for an amount equivalent of 5 % of the contract price. The Performance Security shall be valid till the expiry of the period of maintenance of the work, specified in Clause 12. Failure of the successful Bidder to furnish performance security and to sign the agreement within the period stipulated shall constitute sufficient grounds for annulment of award and debarring the bidder from participation in bidding for works by the Employer for a period of one year, in which case the Employer may make the award to the next lowest evaluated bidder or seek quotations afresh.

**11.1 Additional Performance Security**.

 If the Bid of the successful Bidder is seriously unbalanced, front loaded or substantially below updated estimates in the opinion of the Employer, the Employer may require the Bidder to produce detailed price analyses for any or all items of the Bill of Quantities, to demonstrate the internal consistency of those prices with the construction methods and schedule proposed. After evaluation of the price analyses, taking into consideration the schedule of estimated Contract payments, the Employer may require that the amount of the performance security be increased at the expense of the successful Bidder to a level sufficient to protect the Employer against financial loss in the event of default of the successful Bidder under the Contract

**12.** **Period of Defect Liability**:

 The “**Defect Liability** Period” for the work is six months from the date of taking over possession of work after completion of O&M period of 3 months. During the **Defect Liability** period of maintenance, the contractor will be responsible for rectifying any defects in construction free of cost to the Employer.

 **13.** Supply of all construction materials including cement and steel as per the specifications (ISI certification marked goods wherever available) shall be the responsibility of the contractor. Employer will not issue any material/equipment.

.......................

**SECTION - B**

1. **Format for Qualification Information.**
2. **Format for Submission of Quotation.**
3. **Format of Letter of Acceptance.**

**QUALIFICATION INFORMATION**

**1** **For Individual Bidders**

**1.1** Principal place of business: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Power of attorney of signatory of Quotation.

 ***[Attach copy]***

**1.2** Total value of Civil Engineering F.Y. 2015-16 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 construction work performed in the last F.Y. 2016-17 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 three years (in Rs. Lakhs) F.Y. 2017-18 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**1.3** Work performed as prime contractor (in the same name) on works of a similar nature over the last three years i.e. financial years 2015-16, 2016-17 and 2017-18.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Project Name** | **Name of Employer** | **Descrip-tion of work** | **Contract No.** | **Value of contract (Rs. Lakhs)** | **Date of issue of work order** | **Stipulated period of comple-tion** | **Actual date of completion\*** | **Remarks explaining reasons for delay and work completed** |
|  |  |  |  |  |  |  |  |  |

 Existing commitments and on-going works:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Description of Work****(1)** | **Place & State****(2)** | **Contract No. & Date****(3)** | **Value of Contract** **(Rs. Lakhs)****(4)** | **Stipulated period of completion****(5)** | **Value of works\* remaining to be completed** **(Rs. Lakhs)****(6)** | **Anticipated date of completion****(7)** |
|  |  |  |  |  |  |  |

\* ***Enclose a certificate from the Engineer concerned for completion as well as value of pending works.*1.4** Proposed subcontracts and firms involved.

|  |  |  |  |
| --- | --- | --- | --- |
| **Sections of the works** | **Value of Sub-contract** | **Sub-contractor (name & address)** | **Experience in similar work** |
| **\*****\*****\*** | **\*\*\*\*\*\*** | **\*\*\*\*\*\*** | **\*\*\*** |

**1.5** Evidence of access to financial resources to meet the requirements of working capital: cash in hand, lines of credit, etc. List them below and attach copies of support documents.

**1.6** Name, address, and telephone, telex, and fax numbers of the Bidders’ bankers who may provide references if contacted by the Employer.

**1.7** Information on litigation history in which the Bidder is involved.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Name of the work  | Agreement number/date | Name & address of Employer | Contract Value in Rs | Cause of dispute | Amount Disputed | Remarks showing present status |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

 **Letter of Quotation–Technical Part**

|  |
| --- |
| *The Bidder must prepare the Letter of Quotation on stationery with its letterhead clearly showing the Bidder’s complete name and address. The italicized text is for Bidder’s guidance in preparing these forms and shall be deleted from the final products.* |

Description of the Works\*: ………………………………………

RFQ No.: …………………….. [insert identification *i.e. Procurement Number*]

Our Reference: No.............................. Dated..........................

To: Executive Engineer, Water Supply & Sanitation Division no. ……..

on behalf of Chairman GPWSC, village ………, Block ………… Distt………..

Subject : Construction of....................................................................

 .............................................................................................

Reference : Letter No....................................dated......................from...................

Sir,

1. We, the undersigned, hereby submit our Quotation in two parts, namely:

1. Technical Part; and
2. Financial Part

2. In submitting our Quotation, we make the following declarations:

1. **No reservations:** We have examined and have no reservations to the RFQ document*;*
2. **Conformity:** We offer to execute the subject work in conformity with the RFQ document and in accordance with the Period of Completion specified in Section A.*;*
3. **Quotation Validity Period:** Our Quotation shall be valid for the period of 90 days, from the deadline fixed for the Quotation submission;
4. **Eligibility**: We meet the eligibility requirements and have no conflict of interest, we are not participating in more than one quotation in this bidding process, and we have not been temporarily suspended or debarred by the World Bank or blacklisted or suspended the Central or any State Government;

(e) **Fraud and Corruption:** We hereby certify that we have taken steps to ensure that no person acting for us or on our behalf will engage in any type of corrupt, fraudulent, collusive, coercive, or obstructive practices; and we will strictly observe the laws against fraud and corruption in force in India namely, “Prevention of Corruption Act 1988.”

Yours faithfully,

Authorized Signature : Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name & Title of Signatory : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

In the capacity of *[insert legal capacity of person signing the Letter of Quotation]*

Name of Bidder\*\* : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Dated on \_\_\_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_ *[insert date of signing]*

\* ***To be filled in by the Employer before issue of the Letter of Invitation.***

***\*\* To be filled in by the Bidder, together with his particulars and date of submission at the bottom of this Form.***

**Letter of Quotation–Financial Part**

|  |
| --- |
| *The Bidder must prepare the Letter of Quotation on stationery with its letterhead clearly showing the Bidder’s complete name and address. The italicized text is for Bidder’s guidance in preparing these forms and shall be deleted from the final products.* |

Description of the Works\*: ………………………………………

RFQ No.: …………………… *[insert identification i.e. Procurement Number]*

Our Reference: No.............................. Dated..........................

To:

Executive Engineer, Water Supply & Sanitation Division no. ……..

on behalf of Chairman GPWSC, village ………, Block ………… Distt………..

Subject: Construction of...................................................................................................

Sir,

1. We, the undersigned, hereby submit the second part of our Quotation, the Financial Part including the Quotation Price and Bill of Quantities. In submitting our Financial Part we make the following additional declarations:

1. **Validity**: Our Quotation shall be valid for the period of 90 days from the deadline fixed for the Quotation submission;
2. **Quotation Price**: The total price of our Quotation including any unconditional discounts, offered in accordance with the Conditions of Contract is at ......... percentage above / below the estimated rates, i.e., for a total Contract Price of –

Rs.\*\* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [in figures]

Rs. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [in words];

1. **Commissions, gratuities and fees:** We have paid, or will pay the following commissions, gratuities, or fees with respect to the Bidding process or execution of the Contract: *[insert complete name of each Recipient, its full address, the reason for which each commission or gratuity was paid and the amount and currency of each such commission or gratuity. If none has been paid or is to be paid, indicate “none.”]*

Yours faithfully,

Authorized Signature

Name & Title of Signatory \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

In the capacity of *[insert legal capacity of person signing the Letter of Quotation]*

Name of Bidder \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Dated on \_\_\_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_ *[insert date of signing]*

***\* To be filled in by the Employer before issue of the Letter of Invitation.***

***\*\* To be filled in by the Bidder, together with his particulars and date of submission at the bottom of this Form.***

**LETTER OF ACCEPTANCE**

**CUM NOTICE TO PROCEED WITH THE WORK**

Chairman GPWSC, village ………, Block ………….Distt……….

Dated: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

To: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [Name and address of the Contractor]

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Dear Sirs,

 This is to notify you that your quotation dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for execution of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for the contract price of Rupees \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [amount in words and figures], is hereby accepted by us.

 You are hereby requested to furnish performance security for an amount of Rs. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (equivalent to 5% of the contract price) plus additional security for unbalanced bids for an amount of Rs. \_\_\_\_\_\_\_ within 15 days of the receipt of the letter. The Performance Security in the form of Bank guarantee or a Bank draft in favour of Chairman GPWSC, village ………, Block …………. Distt……. shall be valid until a date 28 days from the date of the expiry of the Defect Liability period i.e. up to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Failure to furnish the Performance Security will entail cancellation of the award of contract.

 You are also requested to sign the agreement form and proceed with the work not later than \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ under the instructions of the Engineer, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and ensure its completion within the contract period.

 With the issuance of this acceptance letter and your furnishing the required Performance Security, the contract, for the above said work, stands concluded.

 Yours faithfully,

Chairman GPWSC,

village ………,

Block ………….

 Distt………….

**Draft Contract Agreement form for**

**Construction through National Shopping**

**ARTICLES OF CONTRACT AGREEMENT**

**1.** This deed of agreement is made in the form of agreement on \_\_\_\_\_\_\_\_ day \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ month \_\_\_\_\_\_\_\_\_\_\_\_ 20 \_\_\_, between the Chairman GPWSC, village ………, Block ………… Distt…….. or his authorized representative (hereinafter referred to as the first party) and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Name of the Contractor), S/O \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ resident of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter referred to as the second party), to execute the work of construction of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter referred to as works) on the following terms and conditions.

**2. Contract Price**

The total Contract Price for the works (hereinafter referred to as the “total price”) is Rs. \_\_\_\_ as reflected in Annexure - 1.

**3.1 Payments under its contract:**Deleted

**3.2** Payments at each stage will be made by the first party:

 (a) on the second party submitting an invoice for an equivalent amount;

(b) on certification of the invoice (except for the first installment) by the engineer nominated by the first party with respect to quality/quantity of works executed in the format in Annexure - 2; and

(c) upon proper and justified utilization of at least 50 % of the previous installment and 100 % of any prior installment.

(d) Payments shall be adjusted for deductions for advance payments, recoveries if any in terms of the contract, and taxes at source, as applicable under the law.

(e) The advance (if availed by the contractor) shall be repaid with percentage deductions from the interim payments, commencing with the next Interim Payment at the rate of 20 percent of the amounts of all Interim Payment Certificates until the advance has been repaid, provided that the advance shall be completely repaid prior to the expiry of the Intended Completion Date. The Bank Guarantee shall remain effective until the advance payment has been fully repaid.

**3.3** The Employer shall retain (Retention Money) 6% of the amount from each payment due to the Contractor subject to the maximum of 5% of final contract price. Half of the amount retained shall be repaid upon completion of the works, and other half shall be repaid when the Defects Liability Period has passed, and the Engineer has certified that all Defects notified to the Contractor before the end of this period have been corrected. On completion of the whole works the Contractor may substitute the balance retention money with an “on demand” Bank guarantee.

**4. Notice by Contractor to Engineer**

 The second party, on the works reaching each stage of construction, issue a notice to the first party or the Engineer nominated by the first party (who is responsible for supervising the contractor, administering the contract, certifying the payments due to the contractor, issuing and valuing variations to the contract, awarding extensions of time etc.), to visit the site for certification of stage completion. Within 15 days of the receipt of such notice, the first party or the engineer nominated by it, will ensure issue of stage completion certificate after due verification.

**5. Completion time**

 The works should be completed in \_\_\_\_\_\_\_\_\_\_\_\_\_ (months/weeks/days) from the date of this Agreement. In exceptional circumstances, the time period stated in this clause may be extended in writing by mutual consent of both the parties.

**6.** If any of the compensation events mentioned below would prevent the work being completed by the intended completion date, the first party will decide on the intended completion date being extended by a suitable period:

1. The first party does not give access to the site or a part thereof by the agreed period.
2. The first party orders a delay or does not issue completed drawings, specifications or instructions for execution of the work on time.
3. Ground conditions are substantially more adverse than could reasonably have been assumed before issue of letter of acceptance and from information provided to second party or from visual inspection of the site.
4. Payments due to the second party are delayed without reason.
5. Certification for stage completion of the work is delayed unreasonably.

**7.** Any willful delay on the part of the second party in completing the construction within the stipulated period will render him liable to pay liquidated damages. @ Rs. \*\_\_\_\_\_\_\_\_\_\_\_\_ per day which will be deducted from payments due to him. The first party may cancel the contract and take recourse to such other action as deemed appropriate once the total amount of liquidated damages exceeds 5 % of the contract amount.

(*Note: The amount of liquidated damages per day should be determined between 0.05 to 0.1% of the contract value of the works per day and indicated here).*

**8. Duties and responsibilities of the first party**

**8.1** The first party shall be responsible for providing regular and frequent supervision and guidance to the second party for carrying out the works as per specifications. This will include written guidelines and regular site visit of the authorized personnel of the first party, for checking quality of material and construction to ensure that it is as per the norms.

**8.2** The first party shall supply 3 sets of drawings, specifications and guidelines to the second party for the proposed works.

**8.3** Possession of the site will be handed over to the second party within 10 days of signing of the agreement.

**8.4** The Engineer or such other person as may be authorized by the first party shall hold meeting once in a month where the second party or his representative at site will submit the latest information including progress report and difficulties if any, in the execution of the work. The whole team may jointly inspect the site on a particular day to take stock of activities.

**8.5** The Engineer shall record his observations/instructions at the time of his site visit in a site register maintained by the second party. The second party will carry out the instructions and promptly rectify any deviations pointed out by the engineer. If the deviations are not rectified, within the time specified in the Engineer’s notice, the first party as well as the engineer nominated by it, may instruct stoppage or suspension of the construction. It shall thereupon be open to the first party or the engineer to have the deviations rectified at the cost of the second party.

**9.** **Duties and responsibilities of the second party**

**9.1** The second party shall:

1. take up the works and arrange for its completion within the time period stipulated in Clause 5;
2. employ suitable skilled persons to carry out the works;
3. regularly supervise and monitor the progress of work;
4. abide by the technical suggestions/direction of supervisory personnel including engineers etc. regarding building construction;
5. be responsible for bringing any discrepancy to the notice of the representative of the first party and seek necessary clarification:
6. ensure that the work is carried out in accordance with specifications, drawings and within the total of the contract amount without any cost escalation;
7. keep the first party informed about the progress of work;
8. be responsible for all security and watch and ward arrangements at site till handing over of the building to the first party; and
9. maintain necessary insurance against loss of human life/ materials/ equipment / cash, etc. or workman disability compensation claims of the personnel deployed on the works as well as third party claims.
10. Pay all duties, taxes and other levies payable by construction agencies as per law under the contract (First party will effect deduction (TDS) from running bills in respect of such taxes as may be imposed under the law).
11. Correct the notified defects within the length of time specified by the Engineer.
12. Abide by the regulatory authority conditions (if any) attached to any permits or approvals for the project; and the ESHS Management Strategies and Implementation Plan and ESHS Code of Conduct, if any prescribed by the Employer.
13. Abide by all labour enactments and rules made there under, regulations, notifications and bye laws of the State or Central Government or local authorities;
14. Abide by all enactments on environmental protection and rules made there under, regulations, notifications and by-laws of the Sate or Central Government, or local authorities;
15. Be responsible for the safety of all activities on the Site

**10. Variations / Extra Items**

The works shall be carried out by the second party in accordance with the approved drawings and specifications. However, if, on account of site conditions or any other factors, variations are considered necessary, the following procedure shall be followed:-

1. **Extra items within scope (awarded items) and contingent to the work**: If the final quantity of the work done differs from the quantity in the Bill of Quantities for the particular item by not more than 25 percent, provided the change does not exceed 1% of Initial Contract Price, the Engineer shall allow the awarded rates for the extra quantity to be executed, otherwise, approval of competent authority of DWSS as per Codal provisions shall be obtained prior to allowing the extra quantities. Engineer shall convey his consent within 15 days of the request from the second party in both the cases.
2. **Extra items outside scope (Non awarded) and contingent to work:** The second party shall provide the Engineer with a quotation (with breakdown of unit rates) for carrying out the Variation when requested to do so by the Engineer. The Engineer shall assess the analysis of quoted rates and allow (sanction) the rate provided the total amount of all such items under one contract do not exceed Rs. 5.00 lacs. Otherwise, Engineer shall allow the rates with prior approval from the competent authority of DWSS as per Codal provisions within 15 days as under:
3. If the quotation given by the second party is unreasonable, the Engineer may order the Variation and make a change to the Contract Price which shall be based on Engineer’s own forecast of the effects of the Variation on the Contractor’s costs.
4. The second party shall not be entitled to additional payment for costs which could have been avoided by giving early warning.

**11. Securities**

 The Performance Security (Bank Guarantee from a Nationalized or Scheduled Bank in India in the format attached) shall be provided to the Employer no later than the date specified in the Letter of Acceptance and shall be issued in an amount and form and by a bank or surety acceptable to the Employer. The Performance Security, if submitted in the form of a Bank Guarantee, shall be valid until a date 28 days from the date of satisfactory completion of the obligations relating to the defect liability period.

**11.1 Additional Performance Security**.

 If the Bid of the successful Bidder is seriously unbalanced, front loaded or substantially below updated estimates in the opinion of the Employer, the Employer may require the Bidder to produce detailed price analyses for any or all items of the Bill of Quantities, to demonstrate the internal consistency of those prices with the construction methods and schedule proposed. After evaluation of the price analyses, taking into consideration the schedule of estimated Contract payments, the Employer may require that the amount of the performance security be increased at the expense of the successful Bidder to a level sufficient to protect the Employer against financial loss in the event of default of the successful Bidder under the Contract

**12. Termination**

**12.1** The Employer may terminate the Contract if the other party causes a fundamental breach of the Contract.

**12.2** Fundamental breaches of Contract include, but shall not be limited to the following:

(a) the contractor stops work for 28 days and the stoppage has not been authorized by the Engineer;

(b) the Contractor has become bankrupt or goes into liquidation other than for a reconstruction or amalgamation;

(c) the Engineer gives Notice that failure to correct a particular Defect is a fundamental breach of Contract and the Contractor fails to correct it within a reasonable period of time determined by the Engineer;

1. the Contractor does not maintain a security which is required;
2. the Contractor has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices, in competing for or in executing the Contract; and

(e) the Contractor has delayed the completion of the Works by the number of days for which the maximum amount of liquidated damages can be paid, as defined in the Clause 7 of this agreement

**12.3** Notwithstanding the above, the Employer may terminate the Contract for convenience.

**12.4** If the Contract is terminated the Contractor shall stop work immediately, make the Site safe and secure, and leave the Site as soon as reasonably possible.

**13.** **Payment upon Termination**

**13.1** If the Contract is terminated because of a fundamental breach of Contract by the Contractor, the Engineer shall issue a certificate for the value of the work done less advance payments received up to the date of the issue of the certificate, less other recoveries due in terms of the contract, less taxes due to be deducted at source as per applicable law.

**13.2** If the Contract is terminated at the Employer’s convenience, the Engineer shall issue a certificate for the value of the work done, the reasonable cost of removal of Equipment, repatriation of the Contractor’s personnel employed solely on the Works, and the Contractor’s costs of protecting and securing the Works and less advance payments received up to the date of the certificate, less other recoveries due in terms of the contract and less taxes due to be deducted at source as per applicable law.

**14. Dispute settlement**

If over the works, any dispute arises between the two parties, relating to any aspects of this Agreement, the parties shall first attempt to settle the dispute through mutual and amicable consultation.

 In the event of agreement not being reached, the matter will be referred for arbitration by a Sole Arbitrator not below the level of retired Superintending Engineer, PWD to be appointed by the first party. The Arbitration will be conducted in accordance with the Arbitration and Conciliation Act, 1996. The decision of the Arbitrator shall be final and binding on both the parties. The Arbitrator shall give his award/decision within 60 days of start of proceedings.

15. **Corrupt and Fraudulent Practices**

 The World Bank requires compliance with its policy in regard to corrupt and fraudulent practices as set forth in Section C. In further pursuance of this policy, Bidders shall permit and shall cause its agents (whether declared or not), sub-contractors, sub-consultants, service providers, or suppliers and any personnel thereof, to permit the Bank to inspect all accounts, records and other documents relating to any prequalification process, bid submission, and contract performance (in the case of award), and to have them audited by auditors appointed by the Bank.

16.  **Labour:**

 The contractor shall, unless otherwise provided in the contract, make his own arrangements for the engagement of all staff and labour, local or other, and for their payment, housing, feeding and transport. During continuance of the contract, the contractor and his sub-contractors shall abide at all times by all existing labour enactments and rules made there under, regulations, notifications and bye laws of the State or Central Government or local authority and any other labour law (including rules), regulations, bye laws that may be passed or notification that may be issued under any labour law in future either by the State or the Central Government or the local authority.

17. **Protection of Environment**

 The contractor shall take all reasonable steps to protect the environment on and off the Site and to avoid damage or nuisance to persons or to property of the public or others resulting from pollution, noise or other causes arising as a consequence of his methods of operation.

During continuance of the contact, the contractor and his sub-contractors shall abide at all times by all existing enactments on environmental protection and rules made there under, regulations, notifications and by-laws of the State or Central Government, or local authorities and any other law, bye-law, regulations that may be passed or notification that may be issued in this respect in future by the State or Central Government or the local authority.

The Priced Bill of Quantities (Annexure 1), Format of Certificate (Annexure 2) and Specification and Drawings (Annexure 3) are attached.

Signed and delivered by Sri. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_ for and on behalf of the Contractor

In the presence of the Witness:

i)

ii)

**SIGNATURE**

Signed and delivered by Shri \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Chairman GPWSC, Village \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

.

In the presence of the Witness:

i)

ii)

**SIGNATURE**

 **Annexure I**

 **BILL OF QUANTITIES**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Serial. No. | Description of item (with brief specification and reference to Book of specification | Quantity  | Unit | Rate (INR) | Amount (INR) |
| In figures | In words | In figures | In words |
|  |  |  |  |  |  |  |  |
| **Total Bid Price (in figures)** |  |
| **(in words)** |  |

**Note:**

 Item for which no rate or price has been entered in will not be paid for by the Employer when executed and shall be deemed covered by the other rates and prices in the **Bill of Quantities**.

We agree to execute the works in accordance with the approved drawings and technical specifications at a total contract price of INR ......…… (in figures), INR ............ (in words).

 **Signature of Contractor**

**Annexure - 2**

**Format of certificate**

 Certified that the works up to -------------------------------------------------- stage in respect of construction of ------------------------------------- at ----------------------------------- have been executed satisfactorily in accordance with the terms and conditions of the agreement and as per approved drawings and technical specifications.

 Signature

 Name & Designation (Official address)

Place:

Date:

Office seal

**Annexure 3**

**Specification and Drawings**

*[IA should insert Specification and Drawings here.]*

## **BANK GUARANTEE FOR ADVANCE PAYMENT**

To: Chairman GPWSC, village………Block ………… Distt……… \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*[name of Contract]*

Gentlemen:

 In accordance with the provisions of the Conditions of Contract, sub-clause 3.1 of the above-mentioned Contract, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[name and address of Contractor]* (hereinafter called "the Contractor") shall deposit with Chairman GPWSC, village………Block ………… Distt………a bank guarantee to guarantee his proper and faithful performance under the said Clause of the Contract in an amount of \_\_\_\_\_\_\_\_\_\_\_\_\_ *[amount of guarantee]* *1*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[in words]*.

 We, the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[bank or financial institution]*, as instructed by the Contractor, agree unconditionally and irrevocably to guarantee as primary obligator and not as Surety merely, the payment to Chairman GPWSC, villag………Block ………… Distt………on his first demand without whatsoever right of objection on our part and without his first claim to the Contractor, in the amount not exceeding \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [amount of guarantee][[2]](#footnote-3) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[in words]*.

 We further agree that no change or addition to or other modification of the terms of the Contract or of Works to be performed there under or of any of the Contract documents which may be made between Chairman GPWSC, village………Block ………… Distt………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 remain valid and in full effect from the date of the advance payment under the Contract until \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[name of Employer]* receives full repayment of the same amount from the Contractor.

 Yours truly,

 Signature and seal: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Name of Bank/Financial Institution: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**PERFORMANCE BANK GUARANTEE**

**(*To be given from a nationalized or scheduled bank in India)***

To: Chairman GPWSC, village………Block ………… Distt………

 WHEREAS \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[name and address of Contractor]* (hereinafter called "the Contractor") has undertaken, in pursuance of Contract No. \_\_\_\_\_ dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to execute \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[name of Contract and brief description of Works]* (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 hereby affirm that we are the Guarantor and responsible to you, on behalf of the Contractor, up to a total of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[amount of guarantee]1*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *[in words]*, such sum being payable in the types and proportions of currencies in which the Contract Price is payable, 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]*1 as aforesaid without your needing to prove or to show grounds or reasons 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 28 days from the date of expiry of the Defects Liability Period.

 Signature and seal of the guarantor \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Name of Bank \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1 An amount shall be inserted by the Guarantor, representing the percentage of the Contract Price specified in the Contract including additional security for unbalanced Bids, if any and denominated in Indian Rupees.

Section C. World Bank Policy on Corrupt and Fraudulent Practices

Guidelines for Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers, dated January 2011, Revised July 2014.

“**Fraud and Corruption:**

1.16 It is the Bank’s policy to require that Borrowers (including beneficiaries of Bank loans), bidders, suppliers, contractors and their agents (whether declared or not), sub-contractors, sub-consultants, service providers or suppliers, and any personnel thereof, observe the highest standard of ethics during the procurement and execution of Bank-financed contracts. In pursuance of this policy, the Bank:

(a) defines, for the purposes of this provision, the terms set forth below as follows:

(i) “corrupt practice” is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

(ii) “fraudulent practice” is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

(iii) “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

(iv) “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

(v) “obstructive practice” is

(aa) deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or

(bb) acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under paragraph 1.16(e) below.

(b) will reject a proposal for award if it determines that the bidder recommended for award, or any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;

(c) will declare misprocurement and cancel the portion of the loan allocated to a contract if it determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the loan engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the procurement or the implementation of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur, including by failing to inform the Bank in a timely manner at the time they knew of the practices;

(d) will sanction a firm or individual, at any time, in accordance with the prevailing Bank’s sanctions procedures, including by publicly declaring such firm or individual ineligible, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; and (ii) to be a nominated sub-contractor, consultant, supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract;

(e) will require that a clause be included in bidding documents and in contracts financed by a Bank loan, requiring bidders, suppliers and contractors, and their sub-contractors, agents, personnel, consultants, service providers, or suppliers, to permit the Bank to inspect all accounts, records, and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the Bank.

1. IA to modify the list of documents as required. [↑](#footnote-ref-2)
2. An amount shall be inserted by the bank or financial institution representing the amount of the Advance Payment, and denominated in Indian Rupees. [↑](#footnote-ref-3)