

KARNATAKA CO-OPERATIVE MILK PRODUCES FEDERATION LIMITED

KMF COMPLEX , Dr.M.H.MARIGOWDA ROAD, DHARMARAM COLLEGE POST, BANGALORE -29.

PHONE :080-25536625,26096834,26096869,26096858 : FAX : 080-25536105

NATIONAL DAIRY PLAN-I

**SUB PROJECT PLAN ON STRENGTHENING OF NANDINI SPERM STATION AT HESARAGHATTA,
BANGALORE (UNIT OF K.M.F)**

INVITATIONS FOR BIDS (IFB)

NATIONAL COMPETITIVE BIDDING

FOR SMALL WORKS

Bid Ref No: KMF/ENGG/NSS/NDP-SSS/CIVIL WORKS/67/2013-14

Date: 04-12-2013

1. The Government of India has received a credit from the International Development Association towards the cost of National Dairy Plan-I Project and intends a part of the funds to cover eligible payments under the contracts for construction of works as detailed below. Bidding is open to all bidders from eligible source countries as defined in the *IBRD Guidelines for Procurement*. Bidders from India should, however, be registered with the Government of Karnataka or other State Governments/Government of India, or State/Central Government Undertakings. **Bidders are advised to note the minimum qualification criteria specified in Clause 3 of the Instructions to Bidders to qualify for the award of the contract.**

2. The Karnataka Co-operative Milk Producers Federation (KMF) invites bids for the construction of works detailed in the table. The bidders should submit their bids for all the works mentioned in Table A (given below). Bidders must quote their prices for all the works separately as per Bill of Quantities (Annexure I enclosed). In case the bidders omit any of the Part/s, their bid shall be considered as non-responsive.

3. Bidding documents (and additional copies) may be purchased from the office of Director (Engg), Karnataka Co-operative Milk Producers Federation from 09.12.2013 to 08.01.2014, during office hours for a non-refundable fee of **Rs. 2000/-** along with a request letter from interested bidder, in the form of cash or Demand Draft on any Scheduled bank payable at Bangalore in favour of "Managing Director, Karnataka Co-operative Milk Producers Federation". Interested bidders may obtain further information at the same address. Bidding documents requested by mail will be dispatched by registered/speed post on payment of an extra amount of Rs. 200/-. The Karnataka Co-operative Milk Producers Federation will not be held responsible for the postal delay if any, in the delivery of the documents or non-receipt of the same.

4. All bidders should submit a **Bid Security of Rs. 185000/-** in the form of Demand Draft drawn in favour of "Managing Director, Karnataka Co-operative Milk Producers Federation" payable at Bangalore. Any bid submitted without Bid Security will be treated as non-responsive and rejected.

5. Bids should be valid for 90 days after the deadline date specified for submission.

6. Bids must be delivered to the Office of the Director (Engg), Karnataka Co-operative Milk Producers Federation Ltd., on or before **14.00 hours on 09.01.2014** and will be opened on the same day at **15.00 hours**, in the presence of the bidders who wish to attend. If the office happens to be closed on the date of receipt of the bids as specified, the bids will be received and opened on the next working day at the same time and venue.

7. Other details can be seen in the bidding documents.

TABLE A

| Package No. | Name of work | Approximate value of work (Rs.) |
|-------------|---|---------------------------------|
| 01 | Construction of Bull Shed (For 20 Bulls) & renovation / additions for existing Bull Sheds at Nandini Sperm Station at Hesaraghatta, Bangalore-Unit of KMF (Under NDP – SSS) | 9251000.00 |

Total Approximate value of work : Rs. 92,51,000.00

Completion Period: 270 days

Note :

The bidders should submit their bids for all the works mentioned in Table A (as given above). Bidders must quote their prices for all the works separately. In case the bidders omit any of the Part/s, their bid shall be considered as non-responsive.

All the works to be carried out as per the Bill of Quantity, technical specifications and terms & conditions indicated in the Bidding Document

DIRECTOR (ENGG)
Address: KMF Central Office,
Dr. M.H. Marigowda Road,
Bangalore – 560 029.
Tel. No: 080-26096808 & 834
Fax No.080-25536105

Instructions to Bidders

SECTION - A

1. Scope of Works

The Karnataka Co-operative Milk Producers Federation (KMF) invites bids for the construction of works as detailed in the table given below

| Package no. | Brief Description of the Works | Approximate value of Works (Rs.) |
|-------------|--|----------------------------------|
| 01 | Construction of Bull Shed (For 20 Bulls) & renovation / additions for existing Bull Sheds at Nandini Sperm Station at Hesaraghatta, Bangalore. (Unit of KMF) Under NDP - SSS | 9495000.00 |

The successful bidder will be expected to complete the works by the intended completion period of 270 days.

2. **Qualification of the bidder:** The bidder shall provide qualification information which shall include:-

- (a) total monetary value of construction works performed for each year of the last 3 years;
- (b) Income tax clearance certificate from the concerned IT circle;
- (c) Report on his financial standing; and
- (d) Details of any litigation, current or during the last 3 years in which the bidder is involved, the parties concerned and disputed amount in each case.

3. To qualify for award of the contract the bidder:-

- (a) should have satisfactorily completed as a prime contractor at least one similar work of value not less than Rs. 71,25,000/- in the last three years;
- (b) Bidders from India should, however, be registered with the KPWD / CPWD / MES or other State Governments/Government of India, or State/Central Government Undertakings
- (c) should not have been debarred (or dealings suspended) on the date of bid opening by the Central/State Governments/undertakings or by the World Bank.

4. Bid Price

The contract shall be for the whole works as described in drawings and technical specifications. Corrections, if any, shall be made by crossing out, initialing, dating, and rewriting.

All duties, taxes and other levies payable by the contractor under the contract shall be included in the total price.

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.

5. Submission of Bids

5.1 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 bid. (Complete Site address : Nandini Sperm Station, at Kakolu Post, Hesaraghatta Hobli, Bangalore North ; Contact person : Dr. S Mahesh, Director (Farms), Contact No. 09591994308.

5.2 Each bidder shall submit only one bid. Bidders should not contact other competing in matters relating to this bid.

5.3 The set of bidding documents comprise of the following:

- i. Layout Drawings of the works;
- ii. Detailed Bidding document comprising of Bill of Quantities and terms of payment;
- iii. Technical Specifications; / Special Conditions of Contract
- iv. Instructions to Bidders (in two sections); and
- v. Draft Contract Agreement format which will be used for finalizing the agreement for this Contract.

5.4 The bid submitted by the bidder shall comprise the following:-

- (a) Bid in the format given in Section B.
- (b) Signed Bill of Quantities; and
- (c) Qualification information form given in Section B duly completed.

5.5 The bidder shall seal the bid in an envelope addressed to the Director, (Engg), Karnataka Co-operative Milk Produces Federation Limited, . The envelope will also bear the following identification:-

Bid for Construction of Bull Shed & Renovation / additions for existing Bull sheds at NSS – Hesaraghatta, Bangalore. (Name of the Contract)

Do not open before 3.00 PM on 17-12-2013 . (time and date of bid opening).

5.6 Bids must be received in the office of the Director, (Engg), Karnataka Co-operative Milk Produces Federation Limited, KMF Central Office, Dr. M.H. Marigowda Road, D.R. College Post, Bangalore – 560 029 not later than the time and date given in the letter of invitation . If the specified date is declared a holiday, bids shall be received upto the appointed time on the next working day.

5.7 Any bid received by the Director, (Engg), Karnataka Co-operative Milk Produces Federation Limited, after the deadline for submission of bids will be rejected and returned unopened to the bidder.

6. Validity of Bid

Bid shall remain valid for a period not less than **90 days** after the deadline date specified for submission.

7. Opening of Bids

Bids will be opened in the presence of bidders or their representatives who choose to attend on the date and time and at the place specified in sub-clause 5.6 above.

8. Information relating to evaluation of bids and recommendations for the award of contract shall not be disclosed to bidders or any other persons not officially concerned with the process until the award to the successful bidder is announced.

9. Evaluation of Bids

The Employer will evaluate and compare the bids determined to be substantially responsive i.e. which

- (a) meet the qualification criteria specified in clause 3 above;
- (b) are properly signed ; and
- (c) conform to the terms and conditions, specifications and drawings without material deviations.
- (d) Bids should be complete in all respects and will be evaluated on the total of all works (as given in Table A of IFB).

10. Award of contract

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

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

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

11. Performance Security

Within 15 days of receiving letter of acceptance, the successful bidder shall deliver to the Director, (Engg), Karnataka Co-operative Milk Produces Federation Limited, a the performance security (Bank draft in favour of the “ Managing Director, Karnataka Co-operative Milk Produces Federation Limited”) for an amount equivalent of 3 % 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 signing the agreement within the period stipulated shall constitute sufficient grounds for annulment of award and debarring the bidder for a period of one year ,in which case the Employer may make the award to the next lowest evaluated bidder or call for new bids.

12. Defects Liability:

The “Defects Liability Period” for the work is **Twelve months** from the date of taking over possession or one full monsoon season whichever occurs later. During this period, 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.

14. 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.

SECTION - B

Format for Qualification Information.

Format for Submission of Bid.

Format of Letter of Acceptance.

QUALIFICATION INFORMATION

1 For Individual Bidders

1.1 Principal place of business: _____

Power of attorney of signatory of Bid.

[Attach copy]

1.2 Total value of Civil** Engineering 2010-11 : _____
construction work performed in the last 2011-12: _____
three years (in Rs. Lakhs) 2012-13: _____

1.3 Work performed as prime contractor (in the same name) on works of a similar nature over the last three years.

| <u>Project Name</u> | <u>Name of Employer</u> | <u>Description of work</u> | <u>Contract No.</u> | <u>Value of contract (Rs.Lakhs)</u> | <u>Date of issue of work order</u> | <u>Stipulated period of completion</u> | <u>Actual date of completion</u> | <u>Remarks explaining reasons for delay and work completed</u> |
|---------------------|-------------------------|----------------------------|---------------------|-------------------------------------|------------------------------------|--|----------------------------------|--|
|---------------------|-------------------------|----------------------------|---------------------|-------------------------------------|------------------------------------|--|----------------------------------|--|

Existing commitments and on-going works:

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

* Enclose a certificate from Engineer concerned.

** Modify as appropriate.

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 requirement 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.

| Other party(ies) | Employer | Cause of dispute | Amount involved | Remarks showing present status |
|------------------|----------|------------------|-----------------|--------------------------------|
| | | | | |
| | | | | |

BID FORM

*

Description of the Works :

To:

Subject : Construction of Bull shed and renovation / additions for existing Bull Sheds at Nandini Sperm Station at Hesaraghatta, Bangalore. (Under NDP-SSS)

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

Sir,

We offer to execute the Works described in your letter referred to above in accordance with the Conditions of Contract enclosed therewith at a total Fixed Contract Price of -

Rs.** _____ [in figures]

Rs. _____ [in words].

This bid and your written acceptance of it shall constitute a binding contract between us. We understand that you are not bound to accept the lowest or any bid you receive.

We hereby certify that we have taken steps to ensure that no person acting for us or on our behalf will engage in bribery or collusive arrangements with competitors.

We hereby confirm that this bid is valid for 45 days as required in Clause 6 of the Instructions to Bidders.

We have not been debarred/removed from approved list (dealings suspended) by the Central or any State Government or by the World Bank.

Yours faithfully,

Authorized Signature : Date: _____

Name & Title of Signatory : _____

Name of Bidder : _____

Address : _____

* 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
(LETTERHEAD OF THE EMPLOYER)**

Dated : _____

To : _____ [Name and address of the Contractor]

Dear Sirs,

This is to notify you that your Bid 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 3% of the contract price) 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(Employer) shall be valid till the expiry of the period of maintenance i.e. upto _____. 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 Performance Security, contract for the above said work stands concluded.

Yours faithfully,

**Authorized Signature
Name and title of Signatory**

Draft Agreement form for Construction through Item wise rate Contract

ARTICLES OF AGREEMENT

1. This deed of agreement is made in the form of agreement on _____ day _____ month _____ 2013 __, between the _____ (Employer) 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. Cost of the Contract

The total cost of the works (hereinafter referred to as the “total cost”) is Rs. ____ as reflected in Annexure - 1.

3.1 Payments under its contract:

Payments to the second party for the construction work will be released by the first party in the following manner :-

| | | |
|--|---|---|
| On signing of agreement | : | 10% of the contract price on receipt of unconditional bank guarantee in the format attached |
| On reaching plinth level (first stage) | : | PROGRESSIVE PAYMENT – SUBJECT TO MAXIMUM OF 25% of the total cost |
| On reaching lintel level (second stage) | : | PROGRESSIVE PAYMENT – SUBJECT TO MAXIMUM OF 25% of the total cost |
| On reaching roof level (third stage) | : | PROGRESSIVE PAYMENT – SUBJECT TO MAXIMUM OF 25% of the total cost |
| Plastering and completion of whole work (fourth stage) | : | PROGRESSIVE PAYMENT – SUBJECT TO MAXIMUM OF 15% of the total cost (PAYMENT TO BE RELEASED AFTER SATISFACTORY COMPLETION OF ALL THE WORKS) |

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 of works 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.

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 payments due to the contractor, issuing and valuing variations to the contract, awarding extension 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 **270 days** from the date of this Agreement / Handing over of site. 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:

The first party does not give access to the site or a part thereof by the agreed period.

The first party orders a delay or does not issue completed drawings, specifications or instructions for execution of the work on time.

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.

Payments due to the second party are delayed without reason.

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. 0.05% per day of the contract value of the works 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 2% of the contract amount.

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:

take up the works and arrange for its completion within the time period stipulated in clause 5;

employ suitable skilled persons to carry out the works ;

regularly supervise and monitor the progress of work ;

abide by the technical suggestions / direction of supervisory personnel including engineers etc. regarding building construction ;

be responsible for bringing any discrepancy to the notice of the representative of the first party and seek necessary clarification :

ensure that the work is carried out in accordance with specifications, drawings and within the total of the contract amount without any cost escalation ;

keep the first party informed about the progress of work ;

be responsible for all security and watch and ward arrangements at site till handing over of the building to the first party ; and

maintain necessary insurance against loss of materials/cash, etc. or workman disability compensation claims of the personnel deployed on the works as well as third party claims.

j) Pay all duties, taxes and other levies payable by construction agencies as per law under the contract (First party will effect deduction from running bills in respect of such taxes as may be imposed under the law).

10. Variations / Extra Items

The works shall be executed by the second party in accordance with the approved drawings and specifications. No variation in cost is acceptable. However, if the Engineer issues instructions for execution of extra items, the following procedure shall be followed:-

The second party shall provide the Engineer with a bid for carrying out the extra items when requested to do so by the Engineer. The Engineer shall assess the bid, which shall be given within seven days of the request before the extra items are ordered.

If the bid given by the second party is unreasonable, the Engineer may order the extra items and make a change to the Contract Price which shall be based on Engineer's own forecast of the effects of the extra items on the Contractor's costs.

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 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 shall be valid until a date 28 days from the date of issue of the Certificate of Completion in the case of a Bank Guarantee.

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;

(d) the Contractor does not maintain a security which is required;

(e) the Contractor has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices, in competing for or in executing the Contract.

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 Chief Engineer / Superintending Engineer, (not connected in part or whole with this Project in his service) 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.

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.

BILL OF QUANTITIES

The approximate Bill of Quantities is indicated below to give an idea of the work which should be executed in accordance with the approved drawings and specifications to enable the bidder to furnish the item rate price. Bidders may, however, note that variations in the tender quantities will be regularized on item rate basis is acceptable (except where extra items are ordered by the Engineer).

Package Name - Construction of Bull Shed (For 20 Bulls) & renovation / additions for existing Bull Sheds at Nandini Sperm Station at Hesaraghatta, Bangalore. (Unit of KMF) Under NDP - SSS

| [All rates are based on PWD Shedule of Rates 2013-14, Bangalore Circle] | | | | | |
|---|-------------------------------|----------|------|------|--------------|
| SLNO | Description of item | Quantity | Unit | Rate | Amount |
| 1 | Separate excel sheet enclosed | | | | |
| Total Rs. | | | | | 94,94,956.00 |

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

Signature of Contractor

Note: Where there is a discrepancy between the rate in figures and words, the rates in words will govern.

Annexure - 2

Format of certificate

Certified that the works up to ----- level in respect of construction of ----- at ----- have been executed in accordance with the approved drawings and technical specifications.

Signature

Name & Designation (Official address)

Place :

Date :

Office seal

BANK GUARANTEE FOR ADVANCE PAYMENT

To: _____ *[name of Employer]*
_____ *[address of Employer]*
_____ *[name of Contract]*

Gentlemen:

In accordance with the provisions of the Conditions of Contract, subclause 3.1 of the above-mentioned Contract, _____ *[name and address of Contractor]* (hereinafter called "the Contractor") shall deposit with _____ *[name of Employer]* 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 _____ *[name of Employer]* 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]*¹ _____ *[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 thereunder or of any of the Contract documents which may be made between _____ *[name of Employer]* 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: _____

¹ An amount shall be inserted by the bank or financial institution representing the amount of the Advance Payment, and denominated in Indian Rupees.

PERFORMANCE BANK GUARANTEE

To: _____ *[name of Employer]*
_____ *[address of Employer]*

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 thereunder 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.

“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;
- (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.

Special Conditions of Contract

1. The following special conditions of contract shall supplement the general Conditions of Contract given in Section II, wherever there is a conflict the provision herein shall prevail over those in the General conditions of contract
- 2.0 Taxes.
 - 2.1 The rates shall include all taxes. The bidder shall include in his rates all types of taxes including sales tax, works, taxes and octroi as per the law of the Central & the Government of the state, where the Contract is to be performed. If the Project area comes under ESI premises ESI charges will be levied at 6.5% of the labour charges if the Contractor is not registered under ESI.
- 3.0 Engineer's office Accommodation.
 - 4.1 The Contractor shall at his own cost provide a temporary office accommodation of size 3 M x 4 M for the Engineer along with toilet facility and shall provide electrical connection to the same. The structure shall be removed after the completion of work, by the Contractor, at his own cost.
- 5.0 Water for construction and other use.
 - 5.1 Unless otherwise specified the Contractor shall make his own arrangement for water for the work and nothing extra shall be paid for the same.
 - 5.2 The water used by the Contractor shall be fit for drinking as well as construction purposes to the satisfaction of the Engineer/KMF.
 - 5.3 The Contractor may be allowed to construct temporary tube wells/wells in the Project site for getting water after he has got written consent of the Owner /KMF/ Engineer. The Contractor shall be required to provide necessary arrangements to avoid any accident or damage to the buildings, roads, and service lines adjacent to the tube wells / wells sunk. The Contractor shall dismantle the tube well / well on completion of work and restore the ground of its original condition at his own cost.
 - 5.4 In case the Owner / KMF supplies water it shall be on the following conditions.
 1. Water charges 0.5% shall be recovered from the gross amount of work done from such interim bill.
 2. The water shall be provided at the point in the site at the discretion of the Engineer. The Contractor shall make his own arrangement for water connection and distribution pipe lines in the construction area.

3. The Owner / KMF shall not guarantee the maintenance of uninterrupted water supply. It will be the responsibility of the Contractor to make alternative arrangements for water supply at his own cost in the event of any break down so that the progress of work is not affected for want of water. No claim or damage or refund of water charges shall be entertained on account of such break down.

6.0 Power (Electricity) Supply.

- 6.1 Unless otherwise specified the Contractor shall have to make his own arrangements for the power supply at his cost. All the works shall be done as per IEA Rules. The temporary lines shall be removed by the Contractor at his cost after the completion of the work or if there is any hindrance, to the other works due to the alignment of these lines, during the Contract period.

- 6.2 In case the power supply is provided by KMF, it Shall be on the following conditions.

1. The supply shall be made at one point in the site at the direction of the Engineer. The Contractor shall make his own arrangement to carry and distribute the power wherever it is required within the site as per IEA rules.
2. An Energy Meter shall be installed at the site by the Contractor for recording the power consumed by the Contractor and the same shall be recovered at the prevailing rate of supply of electricity by the local electricity Board or other local authorities as the case may be.
3. If at any time during the period of contract the Energy meter is found to be faulty the electricity charges shall be recovered from the interim bills of the Contractor@ 0.5% of the value of work done during that particular period.
4. The temporary supply lines shall be removed and the site shall be cleared by the Contractor after the completion of the work at his own cost.
5. The Bidders are requested to visit site to analyze the nature and quantum of work involved.
6. The excess earth/rocks removed needs to be inter carted to outside the premises as per the direction of the Engineer in-charge.

7.1 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.

The Contractor shall, if required by the Employer, deliver to the Employer a return in detail, in such form and at such intervals as the Employer may prescribe, showing the staff and the numbers of the several classes of labour from time to time employed by the Contractor on the Site and such other information as the Employer may require.

Compliance with labour regulations:

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. The Contractor shall keep the Employer indemnified in case any action is taken against the Employer by the competent authority on account of contravention of any of the provisions of any Act or rules made there under, regulations or notifications including amendments. If the Employer is caused to pay or reimburse, such amounts may be necessary to cause or observe, or for non-observance of the provisions stipulated in the notifications/bye laws/ Acts/Rules/regulations including amendments, if any, on the part of the contractor, Employer shall have the right to deduct any money due to the Contractor including his amount of security deposit. The Employer shall also have right to recover from the Contractor any sum required or estimated to be required for making good the loss or damage suffered by the Employer.

The employees of the Contractor and the Sub-Contractor in no case shall be treated as the employees of the Employer at any point of time.

7.2 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 contract, 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 bye-laws of the State or Central Government, or local authorities and any other law, bye-law, regulations that may be assed or notification that may be issued in this respect in future by the state or Central Government or the local authority.

7.3 The contractor shall obtain at his own cost permission from concerned Authorities for blasting of rock for foundation excavation, if and when required. The contractor shall observe all safety precautions while blasting. The contractor shall keep the owner fee of any accidental liabilities arising from blasting.