CHINESE MODEL BIDDING DOCUMENTS

PROCUREMENT OF GOODS

UNDER

NATIONAL COMPETITIVE BIDDING (NCB)

Ministry of Finance
The People’s Republic of China
January 2012
Preface

In order to regulate and standardize procurement activities of World Bank financed projects in China, in 1991 the Ministry of Finance (MOF) organized to produce and published Model Bidding Documents for World Bank Financed Projects (MBDs), which were revised in 1993 by MOF and the World Bank based on trial use of these documents. In 1995, the World Bank revised its Procurement Guidelines and then developed and published Standard Bidding Documents (SBDs) for World Bank financed projects, and requested that its borrowers must use SBDs in World Bank financed projects. After extensive consultations, MOF and the World Bank agreed to revise and update MBDs developed since 1991 in reference to SBDs. The revised and updated MBDs were re-published in 1997.

Over the past 20 years, use of MBDs has played a positive role in regulating and standardizing procurement activities of World Bank financed projects in China and has also produced favorable impacts on the development of China’s relevant procurement systems.

In October 2001, multilateral development banks and relevant international financial institutions produced and published Harmonized Bidding Documents and User’s Guide. These harmonized documents extensively reflect “best practice” results of these international institutions. The World Bank’s SBDs prepared based on the harmonized bidding documents have since been used in international competitive bidding activities for World Bank financed projects in China. In recent years and in response to the developing and changing situation, international financial institutions including the World Bank have been revising and improving their procurement policies and begun to emphasize and promote the use of country procurement systems in projects financed by them.

Meanwhile, in recent years China’s domestic project development environments have experienced remarkable changes, procurement related laws and institutions have been improving, and carrying out open tendering and use of SBDs in public procurement have been widely accepted. These have had some positive effects on bidding activities, especially national competitive bidding (NCB) activities of projects financed by the World Bank and other international financial institutions.

Based on the above and considering that the operations of Asian Development Bank (ADB) have also been managed by MOF since the 1998 institutional reform, in order to adapt to a developing situation, further strengthen management of projects financed by international financial institutions and regulate and standardize relevant procurement activities, with the assistance from the World Bank and ADB, MOF conducted comprehensive revision of Model NCB Procurement Documents for World Bank Financed Projects and changed the name to Model NCB Procurement Documents for Projects Financed by International Financial Institutions (the new MBDs) to enable their broader application.

The new MBDs have adequately considered China’s relevant procurement laws and regulations as well as requirements in the World Bank’s and ADB’s procurement guidelines and policies, reflecting the cost-effectiveness, efficiency and transparency principles that shall be complied with in the procurement cycle and stressing the requirements of fighting against fraud and corruption in procurement. The new MBDs apply to NCB procurement activities for all lending and grant projects financed by the World Bank and ADB in China. In the meantime, MOF encourages use of new MBDs for NCB procurement activities of projects financed by other international financial institutions.
The new MBDs include National Competitive Bidding Document for Procurement of Goods and National Competitive Bidding Document for Procurement of Civil Works. The two documents have both Chinese and English versions so that they can meet the needs of different language users. The new MBDs comprise three parts and nine chapters. Part One provides bidding procedures, including Instructions to Bidders, Bidding Data Sheet, Bid Evaluation and Qualification Criteria, Bidding Document Format and Eligible Countries; Part Two specifies procurement requirements, including Demand for Supply of Goods or Buyer’s Requirements; Part Three relates to contract, including General Conditions of Contract, Special Conditions of Contract and Contract Format. Considering their widespread application and project-specific conditions, the new MBDs include fixed clauses and variable clauses. Fixed clauses are universally applicable clauses that cannot be changed; variable clauses are clauses that can be adjusted according to project-specific conditions and procurement requirements. Concrete procurement requirements and special contract provisions can be reflected in Bidding Data Sheet and Special Contract Clauses.

In the process of revising and preparing the new MBDs, great support and assistance have been received from ADB and World Bank procurement specialists. Their efforts and contributions are appreciated.

International Department
Ministry of Finance
The People's Republic of China
January 2012
Procurement of Goods

Summary

Invitation for Bids (IFB)

PART 1 – BIDDING PROCEDURES

Section I. Instructions to Bidders (ITB)

This Section provides information to help Bidders prepare their bids. Information is also provided on the submission, opening, and evaluation of bids and on the award of Contracts. Section I contains provisions that are to be used without modification.

Section II. Bidding Data Sheet (BDS)

This Section includes provisions that are specific to each procurement and that supplement Section I, Instructions to Bidders.

Section III. Evaluation and Qualification Criteria

This Section specifies the criteria to be used to determine the lowest evaluated bid, and the Bidder’s qualification requirements to perform the contract.

Section IV. Bidding Forms

This Section includes the forms for the Bid Submission, Price Schedules, Bid Security, and the Manufacturer’s Authorization to be submitted with the Bid.

Section V. Eligible Countries

PART 2 – SUPPLY REQUIREMENTS

Section VI. Schedule of Requirements

This Section includes the List of Goods and Related Services, the Delivery and Completion Schedules, the Technical Specifications and the Drawings that describe the Goods and Related Services to be procured.

PART 3 – CONTRACT

Section VII. General Conditions of Contract (GCC)

This Section includes the general clauses to be applied in all contracts. The text of the clauses in this Section shall not be modified.

Section VIII: Special Conditions of Contract (SCC)

This Section includes clauses specific to each contract that modify or supplement Section VII, General Conditions of Contract.
Section IX: Contract Forms

This Section includes the form for the Agreement, which, once completed, incorporates corrections or modifications to the accepted bid that are permitted under the Instructions to Bidders, the General Conditions of Contract and Special Conditions of Contract. The forms for Performance Security and Advance Payment Security, when required, shall only be completed by the successful Bidder after contract award.
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Invitation for Bids (IFB)\(^1\)

Date: _________________

NCB Bid No.: ______________

1. The ________________ (insert name of Borrower\(^2\)) has received / has applied for / intends to apply for the loan / grant from the ________________ (insert name of international financial institutions, e.g., World Bank, Asian Development Bank) toward the cost of ________________ (insert name of project) and it intends to apply part of the proceeds of this ________________ (select loan or grant as appropriate) to payments under the Contract for ________________ (insert name / no. of contract) 3/.

2. The ________________ (insert name of the Purchaser) now invites sealed bids from all eligible and qualified bidders for ________________ (insert brief description of the goods and related services to be procured). The delivery period is ________ (insert number) days from contract signature.

3. Bidding will be conducted through the National Competitive Bidding procedures. The bidding is open to all bidders from Eligible Sources Countries as defined in the Procurement Guidelines of ________________ (select the World Bank or Asian Development Bank as appropriate) [as defined in the Tendering and Bidding Law and Government Procurement Law of the People's Republic of China].

4. Interested eligible bidders may obtain further information from ________________ (insert name of Purchaser, and name and e-mail of officer in charge) and inspect the Bidding Documents at the address given below from (insert time and date).

5. Qualifications requirements include: ________________ (insert a list of technical, financial, legal and other requirements). Additional details are provided in the Bidding Documents.

6. A complete set of Bidding Documents in Chinese may be purchased by interested bidders on the submission of a written application to the address below and upon payment of

\(^1\) This IFB shall not be included in the final bidding document when they are issued.
\(^2\) Words in brackets are instruction for completing IFB.

3. In case of the Government financing, the first paragraph shall be replaced entirely with “The ________________ (insert name of Purchaser) intends to use the Government funds toward the cost of ________________ (insert name of project) and it intends to apply the proceeds of the fund to payments under the Contract for ________________ (insert name / no. of contract).
a nonrefundable fee __________ (insert amount in Chinese Renminbi). The method of payment will be __________ (insert method of payment, e.g., cashier check, direct deposit to specified account no., etc.). The Bidding Documents will be sent by __________ (insert delivery procedure, e.g. courier).

7. Bids must be delivered to the address below at or before __________ (insert time and date). Late bids will be rejected. Bids will be opened in the presence of the bidders’ representatives who choose to attend in person at the address below at __________ (insert time and date). All bids must be accompanied by a bid security of __________ (insert amount in Chinese Renminbi).

8. The address referred to above is:

Name of Purchaser: __________
Postal Address: __________
Office Rm. No.: __________
Tel. No.: __________

Contact Person: __________
Email Address: __________
Fax No.: __________
PART 1 – Bidding Procedures
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Section I. Instructions to Bidders (ITB)

A. General

1. Scope of Bid

1.1 The Purchaser indicated in the Bidding Data Sheet (BDS), issues these Bidding Documents for the supply of Goods and Related Services incidental thereto as specified in Section VI, Schedule of Requirements. The name and identification number of this National Competitive Bidding (NCB) procurement are specified in the BDS. The name, identification, and number of lots of are provided in the BDS.

1.2 Throughout these Bidding Documents:

(a) the term “in writing” means communicated in written form (e.g. by mail, e-mail, fax, telex) and delivered against receipt; and

(b) “day” means calendar day.

2. Source of Funds

2.1 The Purchaser intends to use the funds as defined in the BDS towards the cost of the Project defined in the BDS. The Purchaser intends to apply a portion of the funds to eligible payments under the contract for which these Bidding Documents are issued.

2.2 Payments shall comply with the provisions as defined in the BDS.

3. Corrupt and Fraudulent Practices

3.1 Chinese anticorruption policy requires purchasers, as well as bidders, suppliers and contractors, and their agents (whether declared or not), personnel, subcontractors and service providers observe the highest standard of ethics during the procurement and execution of such contracts.

3.2 In pursuance of this policy, the terms and sanction actions for fraud and corruption are detailed in the BDS.

3.3 Bidders shall be aware of the provisions stated in the Clause 35.1 (a) (iii) of Section VII of the General Conditions of Contract.

4. Eligible Bidders

4.1 A bidder may be a private entity, or state-owned entity – subject to ITB Sub-clause 4.5 – or any combination of them in the form of a Joint Venture (JV), under an existing agreement, or with the intent to constitute a legally enforceable joint venture.. In the case of a JV:

(a) all parties to the JV shall be jointly and severally liable;
and

(b) a JV shall nominate a Representative who shall have the authority to conduct all businesses for and on behalf of any and all the parties of the JV during the bidding process and, in the event of the JV is awarded the Contract, during contract execution.

4.2 Bidder, and all parties constituting the Bidder, shall have the nationality of an eligible country, in accordance with Section V, Eligible Countries. A Bidder shall be deemed to have the nationality of a country if the Bidder is a citizen or is constituted, incorporated, or registered and operates in conformity with the provisions of the laws of that country. This criterion shall also apply to the determination of the nationality of proposed subcontractors or suppliers for any part of the Contract including Related Services.

4.3 A Bidder shall not have a conflict of interest as defined in the BDS. All bidders found to have conflict of interest shall be disqualified. Bidders may be considered to have a conflict of interest with one or more parties in this bidding process, if, but not limited to:

(a) they have controlling partner or controlling shareholders in common; or

(b) they received or have received any direct or indirect subsidy from any of them; or

(c) they have the same legal representative for purposes of this Bid; or

(d) they have a relationship with each other, directly or through common third parties, that puts them in a position to have access to information about or influence on the bid of another Bidder, or influence the decisions of the Purchaser regarding this bidding process,

(e) a bidder participates in more than one bid in this bidding process. Participation by a Bidder in more than one Bid will result in the disqualification of all Bids in which it is involved. However, this does not limit the inclusion of the same subcontractor, not otherwise participating as a Bidder, in more than one bid; or;

(f) a Bidder or any of its affiliates participated as a consultant in the preparation of the bidding document that is the subject of the bid; or

(g) a Bidder or any of its affiliates has been hired, or is
proposed to be hired, by the Purchaser for the supervision of the contract.

4.4 A Bidder that is under a declaration of ineligibility by the authorities specified in the BDS, at the date of the deadline for bid submission or thereafter, shall be disqualified.

4.5 Government-owned entities in China shall be eligible only if they can establish that they (i) are legally and financially autonomous, (ii) operate under the principles of commercial law, and (iii) are not dependent agencies of the Purchaser.

4.6 Bidders shall provide such evidence of their continued eligibility satisfactory to the Purchaser, as the Purchaser shall reasonably request.

4.7 In case a prequalification process has been conducted prior to the bidding process, this bidding is open only to prequalified Bidders.

4.8 The eligibility of bidders specific to the contracts financed by World Bank or Asian Development Bank or other International Financial Institutions is specified in the BDS.

5. Eligible Goods and Related Services

5.1 All the Goods and Related Services to be supplied under the Contract shall have origin as any member countries as listed in Section V: Eligible Countries.

5.2 For purposes of this Clause, the term “goods” includes commodities, raw material, machinery, equipment, and industrial plants; and “related services” includes services such as insurance, installation, training, and initial maintenance.

5.3 The term “origin” means the place where the goods have been mined, grown, cultivated, produced, manufactured or processed; or, through manufacture, processing, or assembly, another commercially recognized article results that differs substantially in its basic characteristics from its imported components.

5.4 The nationality of the firm that produces, assembles, distributes, or sells the goods shall not determine their origin.

B. Contents of Bidding Documents

6. Sections of Bidding Documents

6.1 The Bidding Documents consist of Parts 1, 2, and 3, which include all the Sections indicated below, and should be read in conjunction with any Addendum issued in accordance with ITB Clause 8.

PART 1  Bidding Procedures
PART 2 Supply Requirements

- Section VI. Schedule of Requirements

PART 3 Contract

- Section VII. General Conditions of Contract
- Section VIII. Special Conditions of Contract
- Section IX. Contract Forms

6.2 The IFB issued by the Purchaser is not part of the Bidding Documents.

6.3 The Purchaser is not responsible for the completeness of the Bidding Documents and their addendum, if they were not obtained directly from the Purchaser.

6.4 The Bidder is expected to examine all instructions, forms, terms, and specifications in the Bidding Documents. Failure to furnish all information or documentation required by the Bidding Documents may result in the rejection of the bid.

7. Clarification of Bidding Documents

7.1 A prospective Bidder requiring any clarification of the Bidding Documents shall contact the Purchaser in writing at the Purchaser’s address specified in the BDS. The Purchaser will respond in writing to any request for clarification, provided that such request is received no later than fourteen (14) days prior to the deadline for submission of bids. The Purchaser shall forward copies of its response to all those who have acquired the Bidding Documents directly from it, including a description of the inquiry but without identifying its source. Should the Purchaser deem it necessary to amend the Bidding Documents as a result of a clarification, it shall do so following the procedure under ITB Clause 8 and ITB Sub-Clause 24.2.

8. Amendment of Bidding Documents

8.1 At any time prior to the deadline for submission of bids, the Purchaser may amend the Bidding Documents by issuing addendum.

8.2 Any addendum issued shall be part of the Bidding Documents and shall be communicated in writing to all who have obtained the Bidding Documents directly from the Purchaser.

8.3 To give prospective Bidders reasonable time in which to take an addendum into account in preparing their bids, the Purchaser may, at its discretion, extend the deadline for the submission of bids, pursuant to ITB Sub-Clause 24.2.
C. Preparation of Bids

9. Cost of Bidding
9.1 The Bidder shall bear all costs associated with the preparation and submission of its bid, and the Purchaser shall not be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

10. Language of Bid
10.1 The Bid, as well as all correspondence and documents relating to the bid exchanged by the Bidder and the Purchaser, shall be written in Chinese. Supporting documents and printed literature that are part of the Bid may be in another language provided they are accompanied by an accurate translation of the relevant passages in Chinese, in which case, for purposes of interpretation of the Bid, such translation shall govern.

11. Documents Comprising the Bid
11.1 The Bid shall comprise the following:

(a) Bid Submission Form and the applicable Price Schedules, in accordance with ITB Clauses 12, 14, and 15;

(b) Bid Security, in accordance with ITB Clause 21;

(c) Alternative bids, if permitted in accordance with ITB Clause 13;

(d) Written confirmation authorizing the signatory of the Bid to commit the Bidder, in accordance with ITB Clause 22;

(e) Documentary evidence in accordance with ITB Clause 16 establishing the Bidder’s eligibility to bid;

(f) Documentary evidence in accordance with ITB Clause 17, that the Goods and Related Services to be supplied by the Bidder can meet eligibility requirements;

(g) Documentary evidence in accordance with ITB Clauses 18 and 30, that the Goods and Related Services conform to the Bidding Documents;

(h) Documentary evidence in accordance with ITB Clause 19 establishing the Bidder’s qualifications to perform the contract if its bid is accepted; and

(i) Any other document required in the BDS.

12. Bid Submission Form and Price
12.1 The Bidder shall submit the Bid Submission Form using the form furnished in Section IV, Bidding Forms. This form must be completed without any alterations to its format, and no substitutes shall be accepted. All blank spaces shall be filled
12.2 The Bidder shall submit the Price Schedules for Goods and Related Services, according to the forms furnished in Section IV, Bidding Forms.

13. Alternative Bids

13.1 Unless otherwise specified in the BDS, alternative bids shall not be considered.

14. Bid Prices and Discounts

14.1 The prices and discounts quoted by the Bidder in the Bid Submission Form and in the Price Schedules shall conform to the requirements specified below.

14.2 All lots and items must be listed and priced separately in the Price Schedules. If a price schedule shows items listed but not priced, their prices shall be assumed to be included in the prices of other items. Items not listed in the Price Schedule shall be assumed not to be included in the Bid, and provided that the Bid is substantially responsive, the corresponding adjustments shall be applied in accordance with ITB 31.3.

14.3 The price to be quoted in the Bid Submission Form shall be the total price of the bid, excluding any discounts offered.

14.4 The Bidder shall quote any unconditional discounts and indicate the method for their application in the Bid Submission Form.

14.5 The term EXW and other similar terms shall be governed by the rules prescribed in the current edition of INCOTERMS, published by The International Chamber of Commerce, as specified in the BDS.

14.6 Prices shall be quoted as specified in each Price Schedule included in Section IV, Bidding Forms. The disaggregation of price components is required solely for the purpose of facilitating the comparison of bids by the Purchaser. This shall not in any way limit the Purchaser’s right to contract on any of the terms offered. Prices shall be entered in the following manner:

(i) the price of the Goods quoted EXW (ex works, ex factory, ex warehouse, ex showroom, or off-the-shelf, as applicable), including all customs duties and sales and other taxes already paid or payable on the components and raw material used in the manufacture or assembly of the Goods;

(ii) the price for transportation, insurance, and other Related Services (inclusive of any applicable taxes) required to convey the Goods to their final destination (Project Site).
specified in the BDS.

14.7 Prices quoted by the Bidder shall be fixed during the Bidder’s performance of the Contract and not subject to variation on any account unless otherwise specified in the BDS. A Bid submitted with an adjustable price quotation shall be treated as non responsive and shall be rejected, pursuant to ITB Clause 30. However, if in accordance with the BDS, prices quoted by the Bidder shall be subject to adjustment during the performance of the Contract, a Bid submitted with a fixed price quotation shall not be rejected, but the price adjustment shall be treated as zero.

14.8 If so indicated in ITB Sub-Clause 1.1, bids are being invited for individual contracts (lots) or for any combination of contracts (packages). Unless otherwise indicated in the BDS, prices quoted shall correspond to 100% of the items specified for each lot and to 100% of the quantities specified for each item of a lot. Bidders wishing to offer any price reduction (discount) for the award of more than one Contract shall specify the applicable price reduction in accordance with ITB Sub-Clause 14.4 provided the bids for all lots are submitted and opened at the same time.

15. Currency of Bid

15.1 Prices shall be quoted in Chinese Renminbi.

16. Documents Establishing the Eligibility of the Bidder

16.1 To establish their eligibility in accordance with ITB Clause 4, Bidders shall complete the Bid Submission Form, included in Section IV, Bidding Forms. If the Bidder is an existing or intended joint venture (JV) in accordance with ITB 4.1 of the BDS, the Bidder shall submit a copy of the JV agreement or a letter of intent to enter into such agreement. The respective document shall be signed by all legally authorized signatories of all the parties to the existing or intended JV as appropriate.

17. Documents Establishing the Eligibility of the Goods and Related Services

17.1 To establish the eligibility of the Goods and Related Services in accordance with ITB Clause 5, Bidders shall complete the country of origin declarations in the Price Schedule Forms, included in Section IV, Bidding Forms.

18. Documents Establishing the Conformity of the Goods and Related

18.1 To establish the conformity of the Goods and Related Services to the Bidding Documents, the Bidder shall furnish as part of its Bid the documentary evidence that the Goods conform to the technical specifications and standards specified in Section VI, Schedule of Requirements.
Services

18.2 The documentary evidence may be in the form of literature, drawings or data, and shall consist of a detailed item by item description of the essential technical and performance characteristics of the Goods and Related Services, demonstrating substantial responsiveness of the Goods and Related Services to the technical specification, and if applicable, a statement of deviations and exceptions to the provisions of the Schedule of Requirements.

18.3 The Bidder shall also furnish a list giving full particulars, including available sources and current prices of spare parts, special tools, etc., necessary for the proper and continuing functioning of the Goods during the period specified in the BDS following commencement of the use of the goods by the Purchaser.

18.4 Standards for workmanship, process, material, and equipment, as well as references to brand names or catalogue numbers specified by the Purchaser in the Schedule of Requirements, are intended to be descriptive only and not restrictive. The Bidder may offer other standards of quality, brand names, and/or catalogue numbers, provided that it demonstrates, to the Purchaser’s satisfaction, that the substitutions ensure substantial equivalence or are superior to those specified in the Schedule of Requirements.

19. Documents Establishing the Qualifications of the Bidder

19.1 The documentary evidence of the Bidder’s qualifications to perform the contract if its bid is accepted shall establish to the Purchaser’s satisfaction:

(a) that, if required in the BDS, a Bidder that does not manufacture or produce the Goods it offers to supply shall submit the Manufacturer’s Authorization using the form included in Section IV, Bidding Forms to demonstrate that it has been duly authorized by the manufacturer or producer of the Goods to supply these Goods;

(b) that, if required in the BDS, in case of a Bidder not establishing maintenance/after-sale service center within the project site, the Bidder is or will be (if awarded the contract) represented by an Agent equipped and able to carry out the Supplier’s maintenance, repair and spare parts-stocking obligations prescribed in the Conditions of Contract and/or Technical Specifications; and

(c) that the Bidder meets each of the qualification criterion specified in Section III, Evaluation and Qualification Criteria.

20. Period of

20.1 Bids shall remain valid for the period specified in the BDS
Validity of Bids

after the bid submission deadline date prescribed by the Purchaser. A bid valid for a shorter period shall be rejected by the Purchaser as non-responsive.

20.2 In exceptional circumstances, prior to the expiration of the bid validity period, the Purchaser may request bidders to extend the period of validity of their bids. The request and the responses shall be made in writing. If a Bid Security is requested in accordance with ITB Clause 21, it shall also be extended for a corresponding period. A Bidder may refuse the request without forfeiting its Bid Security. A Bidder granting the request shall not be required or permitted to modify its bid, except as provided in ITB Sub-Clause 20.3.

20.3 In the case of fixed price contracts, if the award is delayed by a period exceeding fifty-six (56) days beyond the expiry of the initial bid validity, the Contract price shall be adjusted as specified in the request for extension unless otherwise specified in the BDS. Bid evaluation shall be based on the Bid Price without taking into consideration the above correction.

21. Bid Security

21.1 The Bidder shall furnish as part of its bid, in original form, a Bid Security and the amount shall be specified in the BDS and denominated in Chinese Renminbi.

21.2 The Bid Security shall be, at the Bidder’s option, in any of the following forms:

(a) an unconditional bank guarantee issued by a reputable bank in China; or

(b) cashier check.

In the case of a bank guarantee, the bid security shall be submitted using the form of Bid Security included in Section IV, Bidding Forms. The bid security shall be valid for twenty-eight (28) days beyond the original validity period of the bid, or beyond any period of extension if requested under ITB Sub-Clause 20.2;

21.3 Any bid not accompanied by an enforceable and substantially compliant Bid Security in accordance with ITB Sub-Clause 21.1 shall be rejected by the Purchaser as non-responsive.

21.4 The Bid Security of unsuccessful Bidders shall be returned as promptly as possible upon the successful Bidder’s signing of the Contract Agreement pursuant to ITB Clause 41 and furnishing of the Performance Security pursuant to ITB Clause 42.

21.5 The Bid Security may be forfeited:
Section I. Instruction to Bidders (ITB)

(a) if a Bidder withdraws its bid during the period of bid validity specified by the Bidder on the Bid Submission Form, except as provided in ITB Sub-Clause 20.2; or

(b) if the successful Bidder fails to:

(i) sign the Contract in accordance with ITB Clause 41;

(ii) furnish a Performance Security in accordance with ITB Clause 42.

21.6 The Bid Security of a JV must be in the name of the JV that submits the bid. If the JV has not been legally constituted at the time of bidding, the Bid Security shall be in the names of all future partners as named in the letter of intent mentioned in Item 7 of Bidder Information Form in Section IV “Bidding Forms”.

22. Format and Signing of Bid

22.1 The Bidder shall prepare one original of the documents comprising the bid as described in ITB Clause 11 and clearly mark it “ORIGINAL.” Alternative bids if permitted in accordance with ITB Clause 13 shall be clearly marked “ALTERNATIVE”. In addition, the Bidder shall submit copies of the bid, in the number specified in the BDS and clearly mark them “COPY.” In the event of any discrepancy between the original and the copies, the original shall prevail.

22.2 The original and all copies of the bid shall be typed or written in indelible ink and shall be signed by a person duly authorized to sign on behalf of the Bidder. This authorization shall consist of a written confirmation as specified in the BDS and shall be attached to the Bid. The name and position held by each person signing the authorization must be typed or printed below the signature.

22.3 Any amendment such as interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the person signing the Bid.

D. Submission and Opening of Bids

23. Submission, Sealing and Marking of Bids

23.1 Bidders may always submit their bids by mail or by hand. When so specified in the BDS, bidders shall have the option of submitting their bids electronically. Procedures for submission, sealing and marking are as follows:

(a) Bidders submitting bids by mail or by hand, shall enclose the original and each copy of the Bid, including alternative bids, if permitted in accordance with ITB Clause 13, in separate sealed envelopes, duly marking the envelopes as “ORIGINAL” “ALTERNATIVE” and
“COPY.” These envelopes containing the original and the copies shall then be enclosed in one single envelope. The rest of the procedure shall be in accordance with ITB sub-Clauses 23.2 and 23.3.

(b) Bidders submitting bids electronically shall follow the electronic bid submission procedures **specified in the BDS.**

23.2 The inner and outer envelopes shall:

(a) Bear the name and address of the Bidder;

(b) be addressed to the Purchaser in accordance with ITB Sub-Clause 24.1;

(c) bear the specific identification of this bidding process indicated in ITB Clause 1.1 and any additional identification marks as **specified in the BDS;** and

(d) bear a warning not to open before the time and date for bid opening, in accordance with ITB Sub-Clause 27.1.

23.3 If all envelopes are not sealed and marked as required, the Purchaser will assume no responsibility for the misplacement or premature opening of the bid.

24. **Deadline for Submission of Bids**

24.1 Bids shall be received by the Purchaser at the address and no later than the date and time **specified in the BDS.**

24.2 The Purchaser may, at its discretion, extend the deadline for the submission of bids by amending the Bidding Documents in accordance with ITB Clause 8, in which case all rights and obligations of the Purchaser and Bidders previously subject to the deadline shall thereafter be subject to the deadline as extended.

25. **Late Bids**

25.1 The Purchaser shall not consider any bid that arrives after the deadline for submission of bids, in accordance with ITB Clause 24. Any bid received by the Purchaser after the deadline for submission of bids shall be declared late, rejected, and returned unopened to the Bidder.

26. **Withdrawal, Substitution, and Modification of Bids**

26.1 A Bidder may withdraw, substitute, or modify its Bid after it has been submitted by sending a written notice in accordance with ITB Clause 23, duly signed by an authorized representative, and shall include a copy of the authorization (the power of attorney) in accordance with ITB Sub-Clause 22.2, (except that no copies of the withdrawal notices are required). The corresponding substitution or modification of the bid shall accompany the respective written notice. All
notices shall be:

(a) submitted in accordance with ITB Clauses 22 and 23 (except that no copies of withdrawal notices are required), and in addition, the respective envelopes shall be clearly marked “WITHDRAWAL,” “SUBSTITUTION,” or “MODIFICATION;” and

(b) received by the Purchaser prior to the deadline prescribed for submission of bids, in accordance with ITB Clause 24.

26.2 Bids requested to be withdrawn in accordance with ITB Sub-Clause 26.1 shall be returned unopened to the Bidders.

26.3 No bid may be withdrawn, substituted, or modified in the interval between the deadline for submission of bids and the expiration of the period of bid validity specified by the Bidder on the Bid Submission Form or any extension thereof.

27. Bid Opening

27.1 The Purchaser shall conduct the bid opening in public at the address, date and time specified in the BDS. Any specific electronic bid opening procedures required if electronic bidding is permitted in accordance with ITB Sub-Clause 23.1, shall be as specified in the BDS.

27.2 First, envelopes marked “WITHDRAWAL” shall be opened and read out and the envelope with the corresponding bid shall not be opened, but returned to the Bidder. If the withdrawal envelope does not contain a copy of the “power of attorney” confirming the signature as a person duly authorized to sign on behalf of the Bidder, the corresponding bid will be opened. No bid withdrawal shall be permitted unless the corresponding withdrawal notice contains a valid authorization to request the withdrawal and is read out at bid opening. Next, envelopes marked “SUBSTITUTION” shall be opened, read out and recorded and exchanged with the corresponding Bid being substituted, and the substituted Bid shall not be opened, but returned to the Bidder. No Bid substitution shall be permitted unless the corresponding substitution notice contains a valid authorization to request the substitution and is read out and recorded at bid opening. Envelopes marked “MODIFICATION” shall be opened, read out and recorded with the corresponding Bid. No Bid modification shall be permitted unless the corresponding modification notice contains a valid authorization to request the modification and is read out and recorded at Bid opening. Only envelopes that are opened, read out and recorded at Bid opening shall be considered further.

27.3 All other envelopes shall be opened one at a time, reading out:
the name of the Bidder and whether there is a modification; the Bid Prices, including any discounts and alternative offers; the presence of a Bid Security, if required; and any other details as the Purchaser may consider appropriate. Only discounts and alternative offers read out and recorded at Bid opening shall be considered for evaluation. No Bid shall be rejected at Bid opening except for late bids, in accordance with ITB Sub-Clause 25.1.

27.4 The Purchaser shall prepare a record of the Bid opening that shall include, as a minimum: the name of the Bidder and whether there is a withdrawal, substitution, or modification; the Bid Price, per lot if applicable, including any discounts, and alternative offers if they were permitted; and the presence or absence of a Bid Security, if one was required. The Bidders’ representatives who are present shall be requested to sign the record. Omission of a bidder’s signature on the record shall not invalidate the contents and effect of the record. A copy of the record shall be distributed to all Bidders.

E. Evaluation and Comparison of Bids

28. Confidentiality

28.1 Information relating to the examination, evaluation, comparison, and qualification of bids, and recommendation of contract award, shall not be disclosed to bidders or any other persons not officially concerned with such process until the Contract to the successful bidder has been announced.

28.2 Any effort by a Bidder to influence the Purchaser in the examination, evaluation, comparison, and qualification of the bids or contract award decisions may result in the rejection of its Bid.

28.3 Notwithstanding ITB Sub-Clause 28.2, from the time of bid opening to the time of Contract Award, if any Bidder wishes to contact the Purchaser on any matter related to the bidding process, it should do so in writing.

29. Clarification of Bids

29.1 To assist in the examination, evaluation, comparison and qualification of the bids, the Purchaser may, at its discretion, ask any Bidder for a clarification of its Bid. Any clarification submitted by a Bidder in respect to its Bid and that is not in response to a request by the Purchaser shall not be considered. The Purchaser’s request for clarification and the response shall be in writing. No change in the prices or substance of the Bid shall be sought, offered, or permitted, except to confirm the correction of arithmetic errors discovered by the Purchaser in the Evaluation of the bids, in accordance with ITB Clause 31.

29.2 If a Bidder does not provide clarifications of its Bid by the
30. Responsiveness of Bids

30.1 The Purchaser’s determination of a bid’s responsiveness is to be based on the contents of the bid itself, as defined in ITB Clause 11.

30.2 A substantially responsive Bid is one that conforms to all the terms, conditions, and specifications of the Bidding Documents without material deviation, reservation, or omission. A material deviation, reservation, or omission is one that:

(a) affects in any substantial way the scope, quality, or performance of the Goods and Related Services specified in Section VI: Schedule of Requirements; or

(b) limits in any substantial way, inconsistent with the Bidding Documents, the Purchaser’s rights or the Bidder’s obligations under the Contract; or

(c) if rectified would unfairly affect the competitive position of other bidders presenting substantially responsive bids.

30.3 If a bid is not substantially responsive to the Bidding Documents, it shall be rejected by the Purchaser and may not subsequently be made responsive by the Bidder by correction of the material deviation, reservation, or omission.

30.4 The Purchaser shall examine the technical aspects of the bid in particular, to confirm that all requirements set out in Section VI: Schedule of Requirements have been met without any material deviation or reservation.

30.5 During the evaluation of bids, the following definitions apply:

(a) “Deviation” is a departure from the requirements specified in the Bidding Document;

(b) “Reservation” is the setting of limiting conditions or withholding from complete acceptance of the requirements specified in the Bidding Document;

(c) “Omission” is the failure to submit part or all of the information or documentation required in the Bidding Document.

31. Nonconformities, Errors, and Omissions

31.1 Provided that a Bid is substantially responsive, the Purchaser may waive any non-conformities or omissions in the Bid that do not constitute a material deviation, reservation or omission.
31.2 Provided that a bid is substantially responsive, the Purchaser may request that the Bidder submit the necessary information or documentation, within a reasonable period of time, to rectify nonmaterial nonconformities or omissions in the bid related to documentation requirements. Requesting information or documentation on such nonconformities shall not be related to any aspect of the price of the Bid. Failure of the Bidder to comply with the request may result in the rejection of its Bid.

31.3 Provided that a Bid is substantially responsive, the Purchaser shall rectify quantifiable nonmaterial nonconformities or omissions related to Bid Price. To this effect, the Bid Price shall be adjusted, for comparison purposes only, to reflect the price of the missing or nonconforming item or component. The adjustment shall be made using the method indicated in Section III: Evaluation and Qualification Criteria.

31.4 Provided that the Bid is substantially responsive, the Purchaser shall correct arithmetical errors on the following basis:

(a) if there is a discrepancy between the unit price and the line item total that is obtained by multiplying the unit price by the quantity, the unit price shall prevail and the line item total shall be corrected, unless in the opinion of the Purchaser there is an obvious misplacement of the decimal point in the unit price, in which case the line item total as quoted shall govern and the unit price shall be corrected;

(b) if there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and

(c) if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (a) and (b) above.

31.5 If the Bidder that submitted the lowest evaluated Bid does not accept the correction of errors, its Bid shall be rejected.

32. Preliminary Examination of Bids

32.1 The Purchaser shall examine the bids to confirm that all documents and technical documentation requested in ITB Clause 11 have been provided, and to determine the completeness of each document submitted.

32.2 The Purchaser shall confirm that the following documents and information have been provided in the Bid. If any of these
documents or information is missing, the offer shall be rejected.

(a) Bid Submission Form, in accordance with ITB Sub-Clause 12.1;

(b) Price Schedules, in accordance with ITB Sub-Clause 12.2;

(c) Bid Security, in accordance with ITB Clause 21.

33. Examination of Terms and Conditions; Technical Evaluation

33.1 The Purchaser shall examine the Bid to confirm that all terms and conditions specified in the Conditions of Contract have been accepted by the Bidder without any material deviation or reservation.

33.2 The Purchaser shall evaluate the technical aspects of the Bid submitted in accordance with ITB Clause 18, to confirm that all requirements specified in Section VI, Schedule of Requirements of the Bidding Documents have been met without any material deviation or reservation.

33.3 If, after the examination of the terms and conditions and the technical evaluation, the Purchaser determines that the Bid is not substantially responsive in accordance with ITB Clause 30, it shall reject the Bid.

34. Evaluation of Bids

34.1 The Purchaser shall evaluate each bid that has been determined, up to this stage of the evaluation, to be substantially responsive.

34.2 To evaluate a Bid, the Purchaser shall only use all the factors, methodologies and criteria defined in Section III: Evaluation and Qualification Criteria. No other criteria or methodology shall be permitted.

34.3 To evaluate a Bid, the Purchaser shall consider the following:

(a) evaluation will be done for Items or Lots, as specified in Section III: Evaluation and Qualification Criteria; and the Bid Price as quoted in accordance with clause 14;

(b) price adjustment for correction of arithmetic errors in accordance with ITB Sub-Clause 31.4;

(c) price adjustment due to discounts offered in accordance with ITB Sub-Clause 14.4;

(d) adjustment for nonconformities in accordance with ITB Sub-Clause 31.3.

(e) adjustments due to the application of the evaluation
34.4 The Purchaser’s evaluation of a bid will exclude and not take into account any allowance for price adjustment during the period of execution of the contract, if provided in the bid.

34.5 The Purchaser’s evaluation of a bid may require the consideration of other factors, in addition to the Bid Price quoted in accordance with ITB Clause 14. These factors may be related to the characteristics, performance, and terms and conditions of purchase of the Goods and Related Services and shall be detailed in Section III, Evaluation and Qualification Criteria. The effect of the factors selected shall be expressed in monetary terms to facilitate comparison of bids.

34.6 These Bidding Documents shall allow Bidders to quote separate prices for one or more lots, and shall allow the Purchaser to award one or multiple lots to more than one Bidder. The methodology of evaluation to determine the lowest-evaluated lot combinations is specified in Section III, Evaluation and Qualification Criteria.

35. Comparison of Bids

35.1 The Purchaser shall compare all substantially responsive bids to determine the lowest-evaluated bid, in accordance with ITB Clause 34.

36. Qualification of the Bidder

36.1 The Purchaser shall determine to its satisfaction whether the Bidder that is selected as having submitted the lowest evaluated and substantially responsive bid meets the qualification criteria specified in Section III, Evaluation and Qualification Criteria.

36.2 The determination shall be based upon an examination of the documentary evidence of the Bidder’s qualifications submitted by the Bidder, pursuant to ITB Clause 19.

36.3 An affirmative determination shall be a prerequisite for award of the Contract to the Bidder. A negative determination shall result in disqualification of the bid, in which event the Purchaser shall proceed to the next lowest evaluated bid to make a similar determination of that Bidder’s capabilities to perform satisfactorily.

36.4 The capabilities of the manufactures and subcontractors proposed in its Bid to be used by the lowest evaluated Bidder for identified major items of the Requirements will also be evaluated for acceptability in accordance with the criteria and methodologies defined in Section III, Evaluation and Qualification Criteria. Their participation should be
confirmed with a letter of intent between the parties, as needed. Should a manufacturer or subcontractor be determined to be unacceptable, the Bid will not be rejected, but the Bidder will be required to substitute an acceptable manufacturer or subcontractor without any change to the bid price.

### 37. Purchaser’s Right to Accept Any Bid, and to Reject Any or All Bids

37.1 The Purchaser reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids at any time prior to contract award, without thereby incurring any liability to Bidders.

### F. Award of Contract

#### 38. Award Criteria

38.1 Subject to ITB Sub-Clause 37.1, the Purchaser shall award the Contract to the Bidder whose offer has been determined to be the lowest evaluated bid and is substantially responsive to the Bidding Documents, provided further that the Bidder is determined to be qualified to perform the Contract satisfactorily.

#### 39. Purchaser’s Right to Vary Quantities at Time of Award

39.1 At the time the Contract is awarded, the Purchaser reserves the right to increase or decrease the quantity of Goods and Related Services originally specified in Section VI: Schedule of Requirements, provided this does not exceed the percentages specified in the BDS, and without any change in the unit prices or other terms and conditions of the bid and the Bidding Documents.

#### 40. Notification of Award

40.1 Prior to the expiration of the period of bid validity, the Purchaser shall notify the successful Bidder, in writing, that its Bid has been accepted.

40.2 Until a formal Contract is prepared and executed, the notification of award shall constitute a binding Contract.

40.3 Upon the successful Bidder’s furnishing of the signed Contract Form and performance security pursuant to ITB Clause 42, the Purchaser will promptly notify each unsuccessful Bidder and will discharge its bid security, pursuant to ITB Clause 21.4.

40.4 The Purchaser shall publish in a newspaper of wide circulation, or a freely accessible website the results identifying the bid and lot number and the following information: (i) name of each Bidder who submitted a Bid, (ii) bid prices as read out at Bid Opening, (iii) name and evaluated prices of each Bid that was evaluated, (iv) name of bidders whose bids were rejected and the reasons for their rejection, and (v) name of the winning Bidder, and the Price it offered, as well as the duration and
summary of the scope of the contract awarded.

41. Signing of Contract

41.1 Promptly after notification, the Purchaser shall send the successful Bidder the Contract Agreement and Conditions of Contract.

41.2 Within twenty-eight (28) days of receipt of the Contract Agreement, the successful Bidder shall sign, date, and return it to the Purchaser.

42. Performance Security

42.1 Within twenty eight (28) days of the receipt of notification of award from the Purchaser, the successful Bidder, if required, shall furnish the Performance Security in accordance with the Conditions of Contract using for that purpose the Performance Security Form included in Section IX Contract Forms, or another Form acceptable to the Purchaser.

42.2 Failure of the successful Bidder to submit the above-mentioned Performance Security or sign the Contract shall constitute sufficient grounds for the annulment of the award and forfeiture of the Bid Security. In that event the Purchaser may award the Contract to the next lowest evaluated Bidder, whose offer is substantially responsive and is determined by the Purchaser to be qualified to perform the Contract satisfactorily.
Section II. Bidding Data Sheet (BDS)

The following specific data for the goods to be procured shall complement, supplement, or amend the provisions in the Instructions to Bidders (ITB). Whenever there is a conflict, the provisions herein shall prevail over those in ITB.

*(Instructions for completing the Bid Data Sheet are provided, as needed, in the notes in italics mentioned for the relevant ITB Clauses.)*

<table>
<thead>
<tr>
<th>ITB Clause Reference</th>
<th>A. General</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITB 1.1</td>
<td>The Purchaser is: <em>(insert complete name)</em></td>
</tr>
<tr>
<td>ITB 1.1</td>
<td>The name and identification number of the NCB are: <em>(insert name and identification number)</em></td>
</tr>
<tr>
<td></td>
<td>The number, identification and names of the lots comprising this NCB are: <em>(insert number; list the lots and related Goods)</em></td>
</tr>
<tr>
<td>ITB 2.1</td>
<td>Source of funds: <em>(please select the World Bank or Asian Development Bank or Government own funds, etc, as appropriate)</em></td>
</tr>
<tr>
<td>ITB 2.1</td>
<td>The name of the Project is: <em>(insert the name of the Project)</em></td>
</tr>
</tbody>
</table>
| ITB 2.2              | *For the World Bank financed contracts, please insert the following sub-clause:*  
|                      | 2.2 Payments by the Bank will be made only at the request of the Borrower and upon approval by the Bank in accordance with the terms and conditions of the financing agreement between the Borrower and the Bank (hereinafter called the Loan Agreement), and will be subject in all respects to the terms and conditions of that Loan Agreement. The Loan Agreement prohibits a withdrawal from the loan account for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the knowledge of the Bank, is prohibited by decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations. No party other than the Borrower shall derive any rights from the Loan Agreement or have any claim to the funds.  
|                      | *For the Asian Development Bank financed contracts, please insert the following sub-clause:*  
|                      | 2.2 Payments by the Bank will be made only at the request of the Borrower and upon approval by the Bank in accordance with the terms and conditions of the financing agreement between the Borrower and the Bank (hereinafter called the Loan Agreement). No party other than the Borrower shall derive any rights from the Loan Agreement or have any claim to the funds. |
| ITB 3.2              | *For the purpose of ITB Clause 3.2, the following sample wordings shall be*
selected:

For the World Bank financed contracts, please use the following clauses:

The World Bank’s Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants is applicable.

In pursuance of this policy, the World 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 sub-clause (e) below.

(b) will reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for the contract in question;

(c) will cancel the portion of the loan allocated to a contract if it determines at any time that representatives of the Borrower or of a beneficiary of the loan engaged in corrupt, fraudulent, collusive, or coercive practices during the procurement or the execution of that contract, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur; and

(d) will sanction a firm or an individual, at any time, in accordance with 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, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and

(e) In further pursuance of this policy, Bidders shall permit the Bank to inspect any accounts and records and other documents relating to the bid submission and contract performance, and to have them audited by auditors appointed by the Bank.

For the Asian Development Bank financed projects, please use the following clauses:

In pursuance of this policy, ADB:

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8 A firm or an individual may be declared ineligible to be awarded a Bank-financed contract upon completion of the Bank’s sanctions proceedings as per its sanctions procedures, including inter alia: (i) temporary suspension in connection with an ongoing sanctions proceeding; (ii) cross-debarment as agreed with other International Financial Institutions, including Multilateral Development Banks; and (iii) the World Bank Group corporate administrative procurement sanctions procedures for fraud and corruption.

9 A nominated sub-contractor, consultant, manufacturer or supplier, or service provider (different names are used depending on the particular bidding document) is one which either has been: (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that are accounted for in the evaluation of the bidder’s pre-qualification application or the bid; or (ii) appointed by the Borrower.
(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, anything of value to influence improperly the actions of another party;

(ii) “fraudulent practice” means 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) “coercive practice” means 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;

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

(b) will reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the contract; and

(c) will cancel the portion of the financing allocated to a contract if it determines at any time that representatives of the borrower or of a beneficiary of ADB-financing engaged in corrupt, fraudulent, collusive, or coercive practices during the procurement or the execution of that contract, without the borrower having taken timely and appropriate action satisfactory to ADB to remedy the situation; and

(d) will sanction a firm or an individual, at any time, in accordance with ADB’s Anticorruption Policy and Integrity Principles and Guidelines (both as amended from time to time), including declaring ineligible, either indefinitely or for a stated period of time, to participate in ADB-financed or ADB-administered activities or to benefit from an ADB-financed or ADB-administered contract, financially or otherwise, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, or coercive or other prohibited practices.
For the contracts financed by Government own funds: please use the following sample clause:

Chinese laws and regulations on anticorruption will apply when bidders are engaged in corrupt, fraudulent, and collusive practices in competing for or in execution of the contracts.

<table>
<thead>
<tr>
<th>ITB 4.3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For the Asian Development Bank financed Contracts, Please insert the following:</strong> ADB considers a conflict of interest to be a situation in which a party has interests that could improperly influence that party’s performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations, and that such conflict of interest may contribute to or constitute a prohibited practice under ADB’s Anticorruption Policy. In pursuance of ADB’s Anticorruption Policy’s requirement that Borrowers (including beneficiaries of Bank-financed activity), as well as bidders, suppliers, and contractors under Bank-financed contracts, observe the highest standard of ethics. ADB will take appropriate actions, which include not financing of the contract, if it determines that a conflict of interest has flawed the integrity of any procurement process</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ITB 4.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>A bidder that is under a declaration of ineligibility by ____ (insert name of World Bank/Asian Development Bank/Chinese Authorities as the case may be) shall be disqualified.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ITB 4.8</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For World Bank/Asian Development Bank financed Contracts, Please insert the following statement:</strong> 4.8 Firms shall be excluded if (a) as a matter of law or official regulation, China prohibits commercial relations with that country, provided that the World Bank/Asian Development Bank is satisfied that such exclusion does not preclude effective competition for the supply of goods or related services required; or (b) by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, China prohibits any import of goods or contracting of works or services from that country or any payments to persons or entities in that country.</td>
</tr>
</tbody>
</table>

### B. Contents of Bidding Documents

<table>
<thead>
<tr>
<th>ITB 7.1</th>
</tr>
</thead>
</table>
| For **Clarification of bid purposes** only, the Purchaser’s address is:  
Attention: (insert Project Officer’s name and room number)  
Address: (insert street name and number) |
### C. Preparation of Bids

<table>
<thead>
<tr>
<th>ITB 11.1 (i)</th>
<th>The Bidder shall submit the following additional documents in its bid: (insert list of documents, if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITB 13.1</td>
<td>Alternative Bid (select “shall be” or “shall not be”) permitted.</td>
</tr>
<tr>
<td></td>
<td>If alternatives bid is permitted, insert:</td>
</tr>
<tr>
<td></td>
<td>A bidder may submit an alternative bid which do not conform to the specifications of Goods but meet the performance prescribed in, or the objectives of, the specifications. However, only the alternative bid of the Bidder whose main bid is the lowest-evaluated substantially responsive Bid will be considered provided that the evaluated bid price of the alternative bid does not exceed that of the main bid. Alternative bids must be submitted in a sealed envelope clearly marked “Alternative Bid” separate from the main Bid.</td>
</tr>
<tr>
<td>ITB 14.5</td>
<td>The INCOTERMS edition is: (insert year of edition i.e. “INCOTERMS 2000”)</td>
</tr>
<tr>
<td>ITB 14.6</td>
<td>“Final destination (Project Site)”: (insert name of location where the Goods are to be actually used)</td>
</tr>
<tr>
<td>ITB 14.7</td>
<td>The prices quoted by the Bidder (select “shall” or “shall not”) be adjusted:</td>
</tr>
<tr>
<td></td>
<td>(if prices are to be adjustable, please insert “the formula of adjusting the prices and explanatory details are specified in Clause 15.2 of Special Conditions of Contract)”</td>
</tr>
<tr>
<td>ITB 14.8</td>
<td>Prices quoted for each lot shall correspond at least to ((insert%) of the items specified for each lot. Prices quoted for each item of a lot shall correspond at least to ((insert%) percent of the quantities specified for this item of a lot.</td>
</tr>
<tr>
<td>ITB 18.3</td>
<td>Period of time the Goods are expected to be functioning (for the purpose of spare parts): ((insert\ duration))</td>
</tr>
<tr>
<td>ITB 19.1 (a)</td>
<td>Manufacturer’s authorization is: (select “required” or “not required”)</td>
</tr>
<tr>
<td>ITB 19.1 (b)</td>
<td>After sales service is: (select “required” or “not required”)</td>
</tr>
<tr>
<td>ITB 20.1</td>
<td>The bid validity period shall be ((insert\ number)) days.</td>
</tr>
<tr>
<td>ITB 20.3</td>
<td>The Contract price (select “shall be” or “shall not be”) adjusted in the request for extension of bid validity.</td>
</tr>
<tr>
<td>ITB 21.1</td>
<td>The amount of the Bid Security shall be: ((insert\ amount))</td>
</tr>
<tr>
<td>ITB 22.1</td>
<td>In addition to the original of the bid, the number of copies is: ((insert\ number))</td>
</tr>
<tr>
<td>ITB 22.2</td>
<td>The written confirmation of Authorization shall consist of:</td>
</tr>
</tbody>
</table>

**D. Submission and Opening of Bids**

| ITB 23.1 | Bidders (select “shall” or “shall not”) have the option of submitting their bids electronically. |
| ITB 23.1 (b) | If bidders shall have the option of submitting their bids electronically, the electronic bidding submission procedures shall be: \((insert\ a\ description\ of\ the\ electronic\ bidding\ submission\ procedures)\) |
| ITB 23.2 (c) | The inner and outer envelopes shall bear the following additional identification marks: \((insert\ the\ name\ and/or\ number\ that\ must\ appear\ on\ the\ bid\ envelope\ to\ identify\ this\ specific\ bidding\ process)\) |
| ITB 24.1 | For bid submission purposes, the Purchaser’s address is: Attention: \((insert\ Project\ Officer’s\ name)\) Address: \((insert\ street\ name\ and\ number)\) Floor-Room number: \((insert\ floor\ and\ room\ number,\ if\ applicable)\) (important to avoid delays or misplacement of bids) City: \((insert\ name\ of\ city)\) |
| **ZIP Code:** (insert postal (ZIP) code) |
| The deadline for the submission of bids is: |
| **Date:** (insert day, month, and year, i.e. 15 March, 2009) |
| **Time:** (insert time, and identify if a.m. or p.m., i.e. 10:30 a.m.) |
| **ITB 27.1** | The bid opening shall take place at: |
| **Street Address:** (insert street address and number) |
| **Floor/ Room number:** (insert floor and room number) |
| **City:** (insert name of city) |
| **Date:** (insert day, month, and year, i.e. 15 March, 2009) |
| **Time:** (insert time, and identify if a.m. or p.m. i.e. 10:30 a.m.) |
| **ITB 27.1** | If electronic bid submission is permitted in accordance with ITB sub-clause 23.1, the specific bid opening procedures shall be: (insert description of the procedures) |
| **E. Evaluation and Comparison of Bids** |
| **ITB 34.3 (a)** | Evaluation will be done for (select Items or Lots) |
| **F. Award of Contract** |
| **ITB 39.1** | The maximum percentage by which quantities may be increased is: (insert percentage, normally 15%) |
| The maximum percentage by which quantities may be decreased is: (insert percentage, normally 15%) |
Section III: Evaluation and Qualification Criteria

This Section complements the Instructions to Bidders. It contains the criteria that the Purchaser may use to evaluate a bid and determine whether a Bidder has the required qualifications. No other criteria shall be used.

(The Purchaser shall select the criteria deemed appropriate for the procurement process, insert the appropriate wording using the samples below or other acceptable wording, and delete the text in italics.)

Table of Criteria

1. Evaluation Criteria
   
   Scope
   
   Technical Criteria
   
   Economic Criteria
   
   Multiple Contracts

2. Qualification Criteria
   
   Financial Criteria
   
   Experience Criteria
   
   Supply Capacity
   
   Litigation History
Evaluation Criteria

1. Scope

1.1 Transportation, Insurance and Related Services

If the Purchaser wishes to consider during the bid evaluation the costs of transportation, insurance, and other services incidental to delivery of the goods to their final destination, then

(a) the Purchaser must define these services items in Section VI: Schedule of Requirements; and

(b) Bidders must be required to quote for these services items as part of their bid price in the Price Schedule of Related Services provided in Section IV: Bidding Forms.

In such case, the following provision should be used:

(Insert: Costs for transportation, insurance, and other incidental costs for delivery of the goods from the EXW premises to the Project Site as defined in Section VI: Schedule of Requirements shall be quoted in the Price Schedule of Related Services provided in Section IV: Bidding Forms. These costs will be taken into account during bid evaluation. If a Bidder fails to include such costs in its Bid, then these costs will be estimated by the Purchaser on the basis of published tariffs by the rail, or road transport agencies, insurance companies, or other appropriate sources, and added to EXW).

1.2 Minor Omission or Missing Items

The cost of minor omissions or missing items in the scope of supply, services, etc., should be added to the Bid Price to allow for Bid comparison on an equal basis. The price adjustment should be based on a reasonable estimate of the cost by the Purchaser, taking into consideration the corresponding quoted prices from other conforming Bids. The price adjustment should be based on the fair price of the omitted item. The most frequently used method assigns to the missing item as price is equal to the highest price quoted for the same item by the other Bidders.

(Insert: Pursuant to Sub-Clause 31.3 of the Instruction to Bidders, the cost of all quantifiable nonmaterial nonconformities or omissions from the contractual and commercial conditions shall be evaluated. The Purchaser will use the highest price quoted for the same item by the other Bidders for any nonmaterial nonconformities and omissions for the purpose of evaluation and comparison of Bids).

2. Technical Criteria

These criteria should specify the minimum technical level that the Goods and related services shall have in order to comply with the Section VI: Schedule of Requirements. Whenever possible, these criteria should be evaluated on a pass or fail system, with a minimum acceptable level for each criteria enumerated.

However, a minor deficiency in technical compliance may not be cause of rejection of the Bid. An example of such non substantive deficiency is the case of an auxiliary motor of which the power rating falls short of that specified, or a proposal to supply cross-ply tires for a vehicle instead of radial-ply as specified. The cost of making good any deficiency should
likewise be added to the Bid price concerned. The most frequently used methods assign to the non-conforming items or components, prices based on similar methods described above, with the price of the non-conforming items or component deducted.

(Insert: The cost of all quantifiable deviations or deficiencies from the technical requirements as specified in Section VI: Schedule of Requirements shall be evaluated. The Purchaser will make its own assessment of the cost of these deviations or deficiencies for the purpose of ensuring fair comparison of Bids).

3. Economic Criteria

The economic criteria are most important when evaluating a Bid. In most cases, they are only criteria for evaluating Bids that have passed technical evaluation. Price, however, may not be the only criterion, as there could be other criteria that may be expressed in monetary terms. For energy consuming equipment and facilities, adjustment for efficiency over and above the minimum functional guarantees specified in the specifications (e.g., generators, pumps), losses (e.g., transformers), and future operating costs of the equipment may be taken into account in the determination of the evaluated Bid Price. The financial costs for these adjustments (added to bid prices) shall be made only when it is specified in the Bidding Document that these functional guarantees and projected operating costs are factors in bid evaluation. The methods of calculation for these evaluation factors shall be clearly specified in the Bidding Document. Deviations from the specified manner of cost calculation shall not be introduced.

Examples of such criteria appear below:

3.1 Adjustment for Deviations in the Delivery and Completion Schedule

(Bidders are required to base their prices on the Delivery and Completion Schedule specified in Section VI: Schedule of Requirements. The Purchaser must state here whether deviations from the specified Delivery and Completion Schedule are permitted or not. If permitted, the Purchase shall evaluate deliveries by adding the corresponding price adjustment in accordance with the procedure outline below).

(Alternative 1: Insert: Deviations from the Delivery and Completion Schedule specified in Section VI: Schedule of Requirements, are not permitted.

(Alternative 2: Insert: The Goods covered by this bidding process are required to be delivered in accordance with, and completed within, the Delivery and Completion Schedule specified in Section VI: Schedule of Requirements. No credit will be given to earlier completion. Bids offering late contract performance schedules will be accepted but the Bids shall be adjusted in the evaluation by adding to the Bid Price at the rate of (Purchaser to specify here the percentage) of the Bid Price for each day of delay. Bids offering delivery schedules beyond (Purchaser to specify here the time limit) of the date specified in Section VI: Schedule of Requirement shall be rejected.

3.2 Adjustment for Deviations from the Terms of Payment.

The Purchaser must state here whether deviation from the terms of payment as specified in Special Conditions of Contract, Sub-Clause 16.1, are permitted or not. If permitted, the Purchaser shall evaluate deviations from the terms of payment in the following manner. The Purchaser shall first evaluate the Bids based on the terms of payment specified in the Special Conditions of Contract, Clause 16.1. The Purchaser shall then add an adjustment to the Bid
Price to take into account the differences in cash flows. The adjustment shall be calculated as the discounted cash flow of the incremental payments of the alternative compared with those of the terms of payment specified by the Purchaser.

(Alternative 1: Insert: Deviations from the Terms of Payment as specified in the Special Conditions of Contract are not permitted.

(Alternative 2: Insert: Bids offering payment terms which differ from those specified in the Special Conditions of Contract will be accepted but the Bids will be adjusted in the evaluation by adding the cost of the interest involved at the rate of [Purchaser to specify here commercial rate applicable].

3.3 Spare Parts

Only those spare parts and tools which are specified on an item-wise basis in the List of Goods and Related Services in Section VI: Schedule of Requirement shall be taken into account in the bid evaluation. Supplier-recommended spare parts for a specified operating requirement shall not be considered in bid evaluation.

(Insert: The list of items and quantities of (Purchaser to specify spare parts, tools, major assemblies, and selected components), likely to be required during the initial period of operation specified in the BDS Sub-Clause 18.3, is indicated in Section VI: Schedule of Requirement. The total cost of these items at the unit prices quoted in each Bid shall be added to the Bid Price).

3.4 Operating and Maintenance Costs

Operating and maintenance costs need to be taken into account for bid evaluation purposes when such costs over the life cycle of the Goods represent an important cost in relation to the capital or investment cost of the Goods. Different technologies may involve large variations in the capital costs of the Goods and the costs associated with their operating and maintenance. Normally, more elaborate technologies and materials used in the manufacturing of the Goods involve higher investment costs and lower operating and maintenance costs. Operating and maintenance costs are evaluated at their present value over the life cycle of the Goods and then added to the price of the Goods.

Typical operating and maintenance cost factors for calculation are:

(a) Number of years for initial period of operation. It is recommended that the initial period of operation does not exceed the usual period before a major overhaul of the Goods is required, usually between five and ten years. The load or working cycle (hourly, daily, monthly, seasonal) of the Goods shall be as specified by the Purchaser.

(b) Operating costs such as fuel, electricity, spare parts, labor and/or other inputs required for the operation of the Goods.

(c) Rate, in percent, to be used to discount to present value, all of the annual future costs calculated under (b) above for the period specified in (a).

(Insert procedures to be used)
3.5 Performance and Productivity of the Goods

The adjustment factor for the performance or productivity of the Goods shall be calculated based on the difference between the reference value or norm (i.e., efficiency) as specified in Section VI: Schedule of Requirement, and the corresponding value guaranteed by the Bidder in its Bid. The method of calculation shall be the following:

(Insert detailed description of the methodology)

4 Multiple Contracts

If the Goods and Related Services are grouped in multiple lots, the following provision must be used:

(insert: Goods are grouped in lots and pursuant to the Instruction to Bidders, the Purchaser will evaluate and compare Bids on the basis of a lot, or combination of lots, or as a total of lots in order to arrive at the least cost combination for the Purchaser by taking into account discounts offered by Bidders in case of award of multiple contracts)
Qualification Criteria

For the procurement of ordinary, readily available, off-the-shelf items, a thorough checking of the qualification of the bidders may not be necessary, apart from ensuring that the technical specifications are met, and that the equipment or machinery has been sufficiently tested in practical terms.

If there is a need to ensure that the lowest-evaluated Bidder has the necessary qualifications to successfully fulfill its obligations under the contract, as the case may be for the procurement of expensive and technically complex items of plant, equipment and machinery for which a separate prequalification exercise was not considered feasible, the Purchaser may specify appropriate qualification criteria in this section.

Depending on the nature of the procurement, taking money and time at risk into account, Bidders’ qualifications regarding critical aspects of their financial, technical, production, procurement, shipping, installation and other capabilities necessary to perform the contract may need to be examined. It will be necessary to seek only information essential to determine the Bidder’s capabilities to execute the contract satisfactorily. All these criteria shall be evaluated on a pass/fail basis only. Minimum acceptable levels with regard to Bidders’ experience in supplying goods and related services with comparable technical parameters, its manufacturing and installation capacity, its financial capability and other factors must be defined.

The following criteria may be used individually or in combination to establish one or several critical qualifications of the Bidder:

Size of Operation

Average annual turnover defined as the total payments received by the Bidder for contracts completed or under execution over the last three years.

Contractual Experience

Number of contracts successfully completed as main supplier within the last three years. Value, nature, and complexity of these contracts should be comparable to the contract to be let.

Technical Experience

Goods offered have been in production for at least [number] years and a minimum of [number] units of similar capacity have been sold and have been in operation satisfactorily for at least [number] years.

Production Capacity

Minimum supply and/or production capacity required to assure that the Bidder is capable of supplying the type, size, and quantity of the Goods required.
Section III. Evaluation and Qualification Criteria

Financial Position

Soundness of the Bidder’s financial position showing long-term profitability demonstrated through audited annual financial statements (balance sheet, income statement) for the last three years.

Cashflow Capacity

Availability of or access to liquid assets, lines of credit, and other finances sufficient to meet any possible cash flow requirement which may arise during the execution of the contract. This should in appropriate cases also take into account the Bidder’s commitments for other contracts.

Litigation History

All pending claims, arbitration, or other litigation shall represent in total not more than [percent] of the Bidder’s net worth.
# Section IV. Bidding Forms

## Table of Forms

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bidder Information Form</td>
</tr>
<tr>
<td>2</td>
<td>Joint Venture Partner Information Form</td>
</tr>
<tr>
<td>3</td>
<td>Bid Submission Form</td>
</tr>
<tr>
<td>4</td>
<td>Price Schedule of Goods</td>
</tr>
<tr>
<td>5</td>
<td>Price Schedule of Related Services</td>
</tr>
<tr>
<td>6</td>
<td>Bid Security (Bank Guarantee)</td>
</tr>
<tr>
<td>7</td>
<td>Manufacturer’s Authorization</td>
</tr>
</tbody>
</table>
## Bidder Information Form

*(The Bidder shall fill in this Form in accordance with the instructions indicated below. No alterations to its format shall be permitted and no substitutions shall be accepted.)*

**Date:** (insert date (as day, month and year) of Bid Submission)  
**NCB No.:** (insert number of bidding process)

<table>
<thead>
<tr>
<th>1. Bidder’s Legal Name</th>
<th><em>(insert Bidder’s legal name)</em></th>
</tr>
</thead>
<tbody>
<tr>
<td>2. In case of JV, legal name of each party:</td>
<td><em>(insert legal name of each party in JV)</em></td>
</tr>
<tr>
<td>3. Bidder’s Country of Registration:</td>
<td><em>(insert Country of Registration)</em></td>
</tr>
<tr>
<td>4. Bidder’s Year of Registration:</td>
<td><em>(insert Bidder’s year of registration)</em></td>
</tr>
<tr>
<td>5. Bidder’s Legal Address in Country of Registration:</td>
<td><em>(insert Bidder’s legal address in country of registration)</em></td>
</tr>
<tr>
<td>6. Bidder’s Authorized Representative Information</td>
<td></td>
</tr>
<tr>
<td>Name:</td>
<td><em>(insert Authorized Representative’s name)</em></td>
</tr>
<tr>
<td>Address:</td>
<td><em>(insert Authorized Representative’s Address)</em></td>
</tr>
<tr>
<td>Telephone/Fax numbers:</td>
<td><em>(insert Authorized Representative’s telephone/fax numbers)</em></td>
</tr>
<tr>
<td>Email Address:</td>
<td><em>(insert Authorized Representative’s email address)</em></td>
</tr>
<tr>
<td>7. Attached are copies of original documents of:</td>
<td><em>(check the box(es) of the attached original documents)</em></td>
</tr>
<tr>
<td>□ Articles of Incorporation or Registration of firm named in 1, above, in accordance with ITB Sub-Claususes 4.3</td>
<td></td>
</tr>
<tr>
<td>□ In case of JV, letter of intent to form JV or JV agreement, in accordance with ITB Sub-Clause 4.1.</td>
<td></td>
</tr>
</tbody>
</table>
# Joint Venture Partner Information Form

*(The Bidder shall fill in this Form in accordance with the instructions indicated below)*

Date: *(insert date (as day, month and year) of Bid Submission)*

NCB No.: *(insert number of bidding process)*

<table>
<thead>
<tr>
<th>1. Bidder’s Legal Name: <em>(insert Bidder’s legal name)</em></th>
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<tbody>
<tr>
<td>2. JV’s Party legal name: <em>(insert JV’s Party legal name)</em></td>
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<tr>
<td>3. JV’s Party Country of Registration: <em>(insert JV’s Party country of registration)</em></td>
</tr>
<tr>
<td>4. JV’s Party Year of Registration: <em>(insert JV’s Part year of registration)</em></td>
</tr>
<tr>
<td>5. JV’s Party Legal Address in Country of Registration: <em>(insert JV’s Party legal address in country of registration)</em></td>
</tr>
<tr>
<td>6. JV’s Party Authorized Representative Information</td>
</tr>
<tr>
<td>Name: <em>(insert name of JV’s Party authorized representative)</em></td>
</tr>
<tr>
<td>Address: <em>(insert address of JV’s Party authorized representative)</em></td>
</tr>
<tr>
<td>Telephone/Fax numbers: <em>(insert telephone/fax numbers of JV’s Party authorized representative)</em></td>
</tr>
<tr>
<td>Email Address: <em>(insert email address of JV’s Party authorized representative)</em></td>
</tr>
<tr>
<td>7. Attached are copies of original documents of: <em>(check the box(es) of the attached original documents)</em></td>
</tr>
<tr>
<td>• Articles of Incorporation or Registration of firm named in 2, above, in accordance with ITB Sub-Clauses 4.1.</td>
</tr>
<tr>
<td>• Authorization to represent the firm (Bidder) named above in accordance with ITB 22.2</td>
</tr>
</tbody>
</table>
Bid Submission Form

(The Bidder shall fill in this Form in accordance with the instructions indicated No alterations to its format shall be permitted and no substitutions shall be accepted.)

Date: (insert date (as day, month and year) of Bid Submission)

NCB No.: (insert number of bidding process)

Invitation for Bid No.: (insert No of IFB)

Alternative No.: (insert identification No. if this is a Bid for an alternative)

To: (insert complete name of Purchaser)

We, the undersigned, declare that:

(a) We have examined and have no reservations to the Bidding Documents, including Addenda No.: ________________ (insert the number and issuing date of each Addenda);

(b) We offer to supply in conformity with the Bidding Documents and in accordance with the Delivery Schedules specified in the Schedule of Requirements the following Goods and Related Services ________________ (insert a brief description of the Goods and Related Services);

(c) The total price of our Bid, excluding any discounts offered in item (d) below, is: ________________ (insert the total bid price in words and figures);

(d) The discounts offered and the methodology for their application are:

Discounts. If our bid is accepted, the following discounts shall apply.

(Specify in detail each discount offered and the specific item of the Schedule of Requirements to which it applies.)

Methodology of Application of the Discounts. The discounts shall be applied using the following method:

(Specify in detail the method that shall be used to apply the discounts)

(e) Our bid shall be valid for the period of time specified in ITB Sub-Clause 20.1, from the date fixed for the bid submission deadline in accordance with ITB Sub-Clause 24.1, and it shall remain binding upon us and may be accepted at any time before the expiration of that period;

(f) If our bid is accepted, we commit to obtain a performance security in accordance with ITB Clause 42 and General Condition of Contract Clause 18 for the due performance of the Contract;

(g) We, including any subcontractors or suppliers for any part of the contract, have nationality from ________________ : (insert the nationality of the Bidder, including
that of all parties that comprise the Bidder, if the Bidder is a JV, and the nationality of each subcontractor and supplier)

(h) We have no conflict of interest in accordance with ITB Sub-Clause 4.3;

(i) Our firm, its affiliates or subsidiaries – including any subcontractors or suppliers for any part of the contract – has not been declared ineligible by __________________________ (select the World Bank or Asian Development Bank or relevant Chinese Authorities. For World Bank or Asian Development Bank financed contracts add “or by an act of compliance with a decision of the United Nations Security Council”) in accordance with ITB Sub-Clause 4.4;

(j) We are not a state-owned entity / We are a state-owned entity but meet the requirements of ITB Sub-Clause 4.5;10

(k) The following commissions, gratuities, or fees have been paid or are to be paid 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)

<table>
<thead>
<tr>
<th>Name of Recipient</th>
<th>Address</th>
<th>Reason</th>
<th>Amount</th>
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<tbody>
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(If none has been paid or is to be paid, indicate “none.”)

(k) We understand that this bid, together with your written acceptance thereof included in your notification of award, shall constitute a binding contract between us, until a formal contract is prepared and executed.

(l) We understand that you are not bound to accept the lowest evaluated bid or any other bid that you may receive.

(m) We agree to permit (select the World Bank or ADB or Government Authorities) or its representative to inspect our accounts and records and other documents relating to the bid submission and to have them audited by auditors appointed by (select the World Bank or ADB or Government Authorities).

Signed: __________________________
(insert signature of person whose name and capacity are shown)

In the capacity of __________________________

10 Use one of the two options as appropriate.
(insert legal capacity of person signing the Bid Submission Form)

Name: ______________________
(insert complete name of person signing the Bid Submission Form)

Duly authorized to sign the bid for and on behalf of: ______________________
(insert complete name of Bidder)

Official Seal of Bidder:

Dated on ______ day of ________________, ______ (insert date of signing)
Bid Schedule Forms

(The Bidder shall fill in these Price Schedule Forms in accordance with the instructions indicated. The list of line items in column 1 of the Price Schedules shall coincide with the List of Goods and Related Services specified by the Purchaser in the Schedule of Requirements.)
## Price Schedule of Goods

Date: _____________________
NCB No: ___________________
Alternative No: ____________
Page N° ___________ of ________

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line Item N°</td>
<td>Description of Goods</td>
<td>Quantity and Physical Unit</td>
<td>Unit Price EXW</td>
<td>Total EXW Price Per Line Item (Col. 3×4)</td>
<td>Sales and Other Taxes &amp; Impositions Per Line Item</td>
<td>Total Price Per Line Item Including Taxes &amp; Impositions (Col. 5+6)</td>
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</tbody>
</table>

Name of Bidder  *(insert complete name of Bidder)*
Signature of Bidder *(signature of person signing the Bid)*
Date *(insert date; official seal)*
## Price Schedule of Related Services

<table>
<thead>
<tr>
<th>Service N°</th>
<th>Description of Services (includes transportation, insurance, and other related services required to convey the goods to their final destination)</th>
<th>Country of Origin</th>
<th>Quantity and Unit of Measurement</th>
<th>Unit Price</th>
<th>Total Price Per Item (Col. 4*5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Transportation and insurance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Related service</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Name of Bidder** *(insert complete name of Bidder)*

**Signature of Bidder** *(signature of person signing the Bid)*

**Date** *(insert date; official seal)*
Bid Security (Bank Guarantee)

[The bank that issues Bid Security shall present the Bank Guarantee in the Form in accordance with the instructions indicated below and issue such a Bank Guarantee under the official letterhead and with the official reference number of the issuing bank.]

________________________________
(Bank’s Name, and Address of Issuing Branch or Office)

Beneficiary: ________________ (Purchaser’s Name and Address)

Date: ________________

BID GUARANTEE No.: ________________

This Guarantee is hereby issued to serve as a Bid Security of ________________ (insert Bidder’s name) (hereinafter called “the Bidder”) for Invitation for Bids (IFB) No. ________________ (insert number of IFB) for supply of ________________ (insert description of the Goods) to __________ (insert Purchaser’s name). The ________________ (insert the name of the issuing Bank) hereby unconditionally and irrevocably guarantees and binds itself, its successors and assigns to pay you immediately without recourse, the sum of ________________ (insert the amount in Chinese Renminbi) upon receipt of your written notification stating any of the following:

(a) The Bidder has withdrawn its Bid during the period of bid validity by the Bidder in Bid Submission Form; or

(b) The Bidder has been notified of the acceptance of its Bid by the Purchaser during the period of Bid validity: (i) fails or refuses to execute the Contract Agreement or (ii) fails or refuses to furnish the Performance Security, if required, in accordance with the Instructions to Bidders.

This guarantee will expire: (a) if the Bidder is the successful bidder, upon our receipt of copies of the contract signed by the Bidder and the performance security issued to you upon the instruction of the Bidder; or (b) if the Bidder is not the successful bidder, upon the earlier of (i) our receipt of a copy of your notification to the Bidder of the name of the successful bidder; or (ii) twenty-eight days after the expiration of the Bidder’s Bid.

Consequently, any demand for payment under this guarantee must be received by us at the office on or before that date. .

________________
(insert name of Issuing Bank)

By ________________

(Printed name and signature of official authorized to sign on behalf of Issuing bank)

Official Seal: ________________
Manufacturer’s Authorization

(The Bidder shall require the Manufacturer to fill in this Form in accordance with the instructions indicated. This letter of authorization should be on the letterhead of the Manufacturer and should be signed by a person with the proper authority to sign documents that are binding on the Manufacturer. The Bidder shall include it in its bid, if so indicated in the BDS.)

Date: (insert date (as day, month and year) of Bid Submission)

NCB No.: (insert number of bidding process)

Alternative No.: (insert identification No. if this is a Bid for an alternative)

To: (insert Purchaser’s complete name)

WHEREAS

We (insert Manufacturer’s complete name), who are official manufacturers of (insert type of goods manufactured), having factories at (insert full address of Manufacturer’s factories), do hereby authorize (insert Bidder’s complete name) to submit a bid the purpose of which is to provide the following Goods, manufactured by us (insert name and / or brief description of the Goods), and to subsequently negotiate and sign the Contract.

We hereby extend our full guarantee and warranty in accordance with Clause 28 of the Conditions of Contract, with respect to the Goods offered by the above firm.

Signed: ________________
(insert signature(s) of authorized representative(s) of the Manufacturer)

Name: ________________
(insert complete name(s) of authorized representative(s) of the Manufacturer)

Title: ________________
(insert title)

Duly authorized to sign this Authorization on behalf of: ________________
(insert complete name of manufacturer)

Official Seal: ________________

Dated on ______ day of ____________________, ______
(insert date of signing)
Section V: Eligible Countries

(For ADB financed project, please list the member countries of ADB.

For the World Bank financed project, please insert “At the present time firms, goods and services from the following countries are excluded from this bidding: [insert “None” or (i) list of counties prohibited under official regulations of China and (ii) list of countries which are barred under UN Security Council Chapter VII]”
PART 2 – Supply Requirements
Section VI. Schedule of Requirements

Contents

1. List of Goods and Delivery Schedule .................................................................

2. List of Related Services and Completion Schedule ..............................................

3. Technical Specifications .....................................................................................

4. Drawings ...........................................................................................................

5. Inspections and Tests .........................................................................................
Notes for Preparing the Schedule of Requirements

The Schedule of Requirements shall be included in the bidding documents by the Purchaser, and shall cover, at a minimum, a description of the goods and services to be supplied and the delivery schedule.

The objective of the Schedule of Requirements is to provide sufficient information to enable bidders to prepare their bids efficiently and accurately, in particular, the Price Schedule, for which a form is provided in Section IV. In addition, the Schedule of Requirements, together with the Price Schedule, should serve as a basis in the event of quantity variation at the time of award of contract pursuant to ITB Clause 39.

The date or period for delivery should be carefully specified, taking into account (a) the implications of delivery terms stipulated in the Instructions to Bidders pursuant to the INCOTERMS rules, and (b) the date prescribed herein from which the Purchaser’s delivery obligations start (i.e., notice of award, contract signature).
### 1. List of Goods and Delivery Schedule

(The Purchaser shall fill in this table, with the exception of the column “Bidder’s offered Delivery date” to be filled by the Bidder)

<table>
<thead>
<tr>
<th>Line Item No</th>
<th>Description of Goods</th>
<th>Quantity</th>
<th>Physical unit</th>
<th>Final (Project Site) Destination as specified in BDS</th>
<th>Delivery (as per INCOTERMS) Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Earliest Delivery Date</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td>Latest Delivery Date</td>
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<td></td>
<td></td>
<td></td>
<td>Bidder’s offered Delivery date (to be provided by the bidder)</td>
</tr>
</tbody>
</table>

(Insert item No) (Insert description of Goods) (Insert quantity of item to be supplied) (Insert physical unit for the quantity) (Insert place of Delivery) (Insert the number of days following the date of effectiveness the Contract) (Insert the number of days following the date of effectiveness the Contract) (Insert the number of days following the date of effectiveness the Contract)
## 2. List of Related Services and Completion Schedule

(This table shall be filled in by the Purchaser. The Required Completion Dates should be realistic, and consistent with the required Goods Delivery Dates (as per INCOTERMS))

<table>
<thead>
<tr>
<th>Service No</th>
<th>Description of Service</th>
<th>Quantity</th>
<th>Physical Unit</th>
<th>Place where Services shall be performed</th>
<th>Final Completion Date(s) of Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>(insert Service No)</td>
<td>(insert description of Related Services)</td>
<td>(insert quantity of items to be supplied)</td>
<td>(insert physical unit for the items)</td>
<td>(insert name of the Place)</td>
<td>(insert required Completion Date(s))</td>
</tr>
</tbody>
</table>
3. Technical Specifications

The purpose of the Technical Specifications (TS) is to define the technical characteristics of the Goods and Related Services required by the Purchaser. The Purchaser shall prepare the detailed TS take into account that:

- The TS constitute the benchmarks against which the Purchaser will verify the technical responsiveness of bids and subsequently evaluate the bids. Therefore, well-defined TS will facilitate preparation of responsive bids by bidders, as well as examination, evaluation, and comparison of the bids by the Purchaser.

- The TS shall require that all goods and materials to be incorporated in the goods be new, unused, and of the most recent or current models, and that they incorporate all recent improvements in design and materials, unless provided for otherwise in the contract.

- Technical Specifications should be broad enough to avoid restrictions on workmanship, materials, and equipment commonly used in manufacturing similar kinds of goods.

- Standards for equipment, materials, and workmanship specified in the Bidding Documents shall not be restrictive. National standards should be specified as much as possible. Reference to brand names, catalogue numbers, or other details that limit any materials or items to a specific manufacturer should be avoided as far as possible. Where unavoidable, such item description should always be followed by the words “or substantially equivalent.” When other particular standards or codes of practice are referred to in the TS, a statement should follow other authoritative standards that ensure at least a substantially equal quality, then the standards mentioned in the TS will also be acceptable.

- Reference to brand names and catalogue numbers should be avoided as far as possible; where unavoidable the words “or at least equivalent” shall always follow such references.

- Technical Specifications shall be fully descriptive of the requirements in respect of, but not limited to, the following:

  (a) Standards of materials and workmanship required for the production and manufacturing of the Goods.

  (b) Detailed tests required (type and number).

  (c) Other additional work and/or Related Services required to achieve full delivery/completion.

  (d) Detailed activities to be performed by the Supplier, and participation of the Purchaser thereon.

  (e) List of detailed functional guarantees covered by the Warranty and the specification of the liquidated damages to be applied in the event that such
guarantees are not met.

- The TS shall specify all essential technical and performance characteristics and requirements, including guaranteed or acceptable maximum or minimum values, as appropriate. Whenever necessary, the Purchaser shall include an additional ad-hoc bidding form (to be an Attachment to the Bid Submission Sheet), where the Bidder shall provide detailed information on such technical performance characteristics in respect to the corresponding acceptable or guaranteed values.

When the Purchaser requests that the Bidder provides in its bid a part or all of the Technical Specifications, technical schedules, or other technical information, the Purchaser shall specify in detail the nature and extent of the required information and the manner in which it has to be presented by the Bidder in its bid.

(If a summary of the Technical Specifications (TS) has to be provided, the Purchaser shall insert information in the table below. The Bidder shall prepare a similar table to justify compliance with the requirements)

**Summary of Technical Specifications.** The Goods and Related Services shall comply with following Technical Specifications and Standards:

<table>
<thead>
<tr>
<th>Item No</th>
<th>Name of Goods or Related Service</th>
<th>Technical Specifications and Standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>(insert item No)</td>
<td>(insert name)</td>
<td>(insert TS and Standards)</td>
</tr>
</tbody>
</table>

*Detailed Technical Specifications and Standards (whenever necessary).*

*(Insert detailed description of TS)*
4. Drawings

These Bidding Documents includes (select “the following” or “no”) drawings.

(If drawings shall be included, insert the following List of Drawings)

<table>
<thead>
<tr>
<th>Drawing Nr.</th>
<th>Drawing Name</th>
<th>Purpose</th>
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<tr>
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</tbody>
</table>
5. **Inspections and Tests**

The following inspections and tests shall be performed: *(insert list of inspections and tests)*
PART 3 – Contract
### Section VII. General Conditions of Contract

#### Table of Clauses

<table>
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<th>Clause No.</th>
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<td>Corrupt &amp; Fraudulent Practices</td>
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<td>4.</td>
<td>Interpretation</td>
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<td>Language</td>
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<td>Joint Venture, Consortium or Association</td>
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<td>Eligibility</td>
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<td>8.</td>
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<td>Governing Law</td>
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<td>10.</td>
<td>Settlement of Disputes</td>
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<td>11.</td>
<td>Scope of Supply</td>
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<td>12.</td>
<td>Delivery and Documents</td>
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<td>13.</td>
<td>Supplier’s Responsibilities</td>
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<tr>
<td>14.</td>
<td>Purchaser’s Responsibilities</td>
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<td>18.</td>
<td>Performance Security</td>
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<td>Warranty</td>
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<td>29.</td>
<td>Patent Indemnity</td>
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<td>30.</td>
<td>Limitation of Liability</td>
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31. Change in Laws and Regulations
32. Force Majeure
33. Change Orders and Contract Amendment
34. Extensions of Time
35. Termination
36. Assignment
General Conditions of Contract

1. Definitions

1.1 The following words and expressions shall have the meanings hereby assigned to them:

(a) “Financing Institution” means the agency as named in Special Condition of Contract.

(b) “Contract” means the Contract Agreement entered into between the Purchaser and the Supplier, together with the Contract Documents referred to therein, including all attachments, appendices, and all documents incorporated by reference therein.

(c) “Contract Documents” means the documents listed in the Contract Agreement, including any amendments thereto.

(d) “Contract Price” means the price payable to the Supplier as specified in the Contract Agreement, subject to such additions and adjustments thereto or deductions therefrom, as may be made pursuant to the Contract.

(e) “Day” means calendar day.

(f) “Completion” means the fulfillment of the Related Services by the Supplier in accordance with the terms and conditions set forth in the Contract.

(g) “Goods” means all of the commodities, raw material, machinery and equipment, and/or other materials that the Supplier is required to supply to the Purchaser under the Contract.

(h) “Purchaser” means the entity purchasing the Goods and Related Services, as specified in the Special Conditions of Contract.

(i) “Related Services” means the services incidental to the supply of the goods, such as insurance, installation, training and initial maintenance and other such obligations of the Supplier under the Contract.

(j) “Subcontractor” means any natural person, private or government entity, or a combination of the above, to whom any part of the Goods to be supplied or execution of any part of the Related Services is subcontracted by the Supplier.
Section VII. General Conditions of Contract

(k) “Supplier” means the natural person, private or government entity, or a combination of the above, named in the Special Conditions of Contract whose bid to perform the Contract has been accepted by the Purchaser and is named as such in the Contract Agreement.

(l) “The Project Site,” where applicable, means the place named in the Special Conditions of Contract.

(m) “Delivery” means the transfer of the Goods from the Supplier to the Purchaser in accordance with the terms and conditions set forth in the Contract.

(n) “Eligible Countries” means the countries and territories eligible as listed in Section V: Eligible Counties.

2. Contract Documents

2.1 Subject to the order of precedence set forth in the Contract Agreement, all documents forming the Contract (and all parts thereof) are intended to be correlative, complementary, and mutually explanatory. The Contract Agreement shall be read as a whole.

3. Corrupt and Fraudulent Practices

3.1 The Supplier including subcontractors shall observe the highest standard of ethics during the procurement and execution of the contracts. If the Purchaser determines that the Supplier and/or any of its personnel, or its agents, or its Subcontractors, consultants, service providers, suppliers and/or their employees has engaged in corrupt, fraudulent, coercive, or obstructive practices, in competing for or in executing the Contract, then the Purchaser may, after giving 14 days notice to the Supplier, terminate the Supplier’s employment under the Contract and cancel the Contract, and the provisions of Clause 35 shall apply as if such expulsion had been made under Sub-Clause 35.1.

3.2 Should any employee of the Supplier be determined to have engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the purchase of the Goods, then that employee shall be removed.

4. Interpretation

4.1 If the context so requires it, singular means plural and vice versa.

4.2 INCOTERMS

Unless inconsistent with any provision of the Contract, the meaning of any trade term and the rights and obligations of parties thereunder shall be as prescribed by INCOTERMS as specified in the Special Conditions of Contract.
4.3 Entire Agreement

The Contract constitutes the entire agreement between the Purchaser and the Supplier and supersedes all communications, negotiations and agreements (whether written or oral) of the parties with respect thereto made prior to the date of Contract.

4.4 Amendment

No amendment or other variation of the Contract shall be valid unless it is in writing, is dated, expressly refers to the Contract, and is signed by a duly authorized representative of each party thereto.

4.5 Nonwaiver

(a) Subject to GCC Sub-clause 4.5 (b) below, no relaxation, forbearance, delay, or indulgence by either party in enforcing any of the terms and conditions of the Contract or the granting of time by either party to the other shall prejudice, affect, or restrict the rights of that party under the Contract, neither shall any waiver by either party of any breach of Contract operate as waiver of any subsequent or continuing breach of Contract.

(b) Any waiver of party's rights, powers, or remedies under the Contract must be in writing, dated, and signed by an authorized representative of the party granting such waiver, and must specify the right and the extent to which it is being waived.

4.6 Severability

If any provision or conditions of the Contract is prohibited or rendered invalid or unenforceable, such prohibition, invalidity or unenforceability shall not affect the validity or enforceability of any other provisions and conditions of the Contract.

5. Language

5.1 The Contract as well as all correspondence and documents relating to the Contract exchanged by the Supplier and the Purchaser, shall be written in Chinese.

6. Joint Venture, Consortium or Association

6.1 If the Supplier is a joint venture, consortium, or association, all of the parties shall be jointly and severally liable to the Purchaser for the fulfillment of the provisions of the Contract
and shall designate one party to act as a leader with authority to bind the joint venture, consortium, or association. The composition or the constitution of the joint venture, consortium, or association shall not be altered without the prior consent of the Purchaser.

7. Eligibility

7.1 Unless otherwise specified in the Special Conditions of Contract, there is no eligibility restriction for the Supplier and its Subcontractors, Goods and Related Services to be supplied under the Contract.

8. Notices

8.1 Any notice given by one party to the other pursuant to the Contract shall be in writing to the address specified in the Special Conditions of Contract. The term “in writing” means communicated in written form with proof of receipt.

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

9. Governing Law

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

10. Settlement of Disputes

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

10.2 If, after twenty-eight (28) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Purchaser or the Supplier may give notice to the other party of its intention to commence arbitration, as hereinafter provided, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given. Any dispute or difference in respect of which a notice of intention to commence arbitration has been given in accordance with this Clause shall be finally settled by arbitration. Arbitration may be commenced prior to or after delivery of the Goods under the Contract. Arbitration proceedings shall be conducted in accordance with the rules of procedure specified in the Special Conditions of Contract.

10.3 Notwithstanding any reference to arbitration herein,

(a) the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree; and

(b) the Purchaser shall pay the Supplier any monies due the Supplier.
<table>
<thead>
<tr>
<th>11. Scope of Supply</th>
<th>11.1 The Goods and Related Services to be supplied shall be as specified in the Schedule of Requirements.</th>
</tr>
</thead>
<tbody>
<tr>
<td>12. Delivery and Documents</td>
<td>12.1 Subject to Sub-Clause 33.1, the Delivery of the Goods and Completion of the Related Services shall be in accordance with the Delivery and Completion Schedule specified in the Schedule of Requirements. The details of shipping and other documents to be furnished by the Supplier are specified in the Special Conditions of Contract.</td>
</tr>
<tr>
<td>13. Supplier’s Responsibilities</td>
<td>13.1 The Supplier shall supply all the Goods and Related Services included in the Scope of Supply in accordance with Clause 11, and the Delivery and Completion Schedule, as per Clause 12.</td>
</tr>
<tr>
<td>14. Purchaser’s Responsibilities</td>
<td>14.1 Whenever the supply of Goods and Related Services requires that the Supplier obtain permits, approvals, and import and other licenses from local public authorities, the Purchaser shall, if so required by the Supplier, make its best effort to assist the Supplier in complying with such requirements in a timely and expeditious manner.</td>
</tr>
<tr>
<td>14.2 The Purchaser shall pay all costs involved in the performance of its responsibilities, in accordance with GCC Sub-Clause 14.1.</td>
<td></td>
</tr>
<tr>
<td>15. Contract Price</td>
<td>15.1 Prices charged by the Supplier for the Goods supplied and the Related Services performed under the Contract shall not vary from the prices quoted by the Supplier in its bid.</td>
</tr>
<tr>
<td>15.2 Prices charged by the Supplier for the Goods delivered and Related Services performed under the Contract shall not vary from the prices quoted by the Supplier in its bid, with the exception of any price adjustments authorized in the Special Conditions of Contract.</td>
<td></td>
</tr>
<tr>
<td>16. Terms of Payment</td>
<td>16.1 The Contract Price, including any Advance Payments, if applicable, shall be paid in Chinese Renminbi. The Supplier’s request for payment shall be made to the Purchaser in writing, accompanied by invoices describing, as appropriate, the Goods delivered and Related Services performed, and by the documents submitted pursuant to Clause 12 and upon fulfillment of all other obligations stipulated in the Contract.</td>
</tr>
<tr>
<td>16.2 Payments shall be made promptly by the Purchaser, but in no case later than thirty (30) days after submission of an invoice or request for payment by the Supplier, and after the Purchaser has accepted it.</td>
<td></td>
</tr>
<tr>
<td>16.3 The payments shall be made to the Supplier under this</td>
<td></td>
</tr>
</tbody>
</table>
Contract shall be in Chinese Renminbi.

16.4 In the event that the Purchaser fails to pay the Supplier any payment by its due date or within the period set forth in the Special Conditions of Contract, the Purchaser shall pay to the Supplier interest on the amount of such delayed payment at the rate shown in the Special Conditions of Contract, for the period of delay until payment has been made in full.

17. Taxes and Duties

17.1 All taxes in connection with and in the execution of this Contract to be levied by the Chinese Government on the Purchaser in accordance with the tax laws in effect shall be paid by the Purchaser.

17.2 All taxes in connection with and in the execution of this Contract to be levied by the Chinese Government on the Supplier in accordance with the tax laws in effect shall be paid by the Supplier.

18. Performance Security

18.1 If required as specified in the Special Conditions of Contract, the Supplier shall, within twenty-eight (28) days of the notification of contract award, provide a performance security for the performance of the Contract in the amount specified in the Special Conditions of Contract.

18.2 The proceeds of the Performance Security shall be payable to the Purchaser as compensation for any loss resulting from the Supplier’s failure to complete its obligations under the Contract.

18.3 As specified in the Special Conditions of Contract, the Performance Security, if required, shall be denominated in the Chinese Renminbi; and shall be in one of the format stipulated by the Purchaser in the Special Conditions of Contract, or in another format acceptable to the Purchaser.

18.4 The Performance Security shall be discharged by the Purchaser and returned to the Supplier not later than twenty-eight (28) days following the date of Completion of the Supplier’s performance obligations under the Contract, including any warranty obligations, unless specified otherwise in the Special Conditions of Contract.

19. Copyright

19.1 The copyright in all drawings, documents, and other materials containing data and information furnished to the Purchaser by the Supplier herein shall remain vested in the Supplier, or, if they are furnished to the Purchaser directly or through the Supplier by any third party, including suppliers of materials, the copyright in such materials shall remain vested in such third party.
20. Confidential Information

20.1 The Purchaser and the Supplier shall keep confidential and shall not, without the written consent of the other party hereto, divulge to any third party any documents, data, or other information furnished directly or indirectly by the other party hereto in connection with the Contract, whether such information has been furnished prior to, during or following completion or termination of the Contract. Notwithstanding the above, the Supplier may furnish to its Subcontractor such documents, data, and other information it receives from the Purchaser to the extent required for the Subcontractor to perform its work under the Contract, in which event the Supplier shall obtain from such Subcontractor an undertaking of confidentiality similar to that imposed on the Supplier under Clause 20.

20.2 The Purchaser shall not use such documents, data, and other information received from the Supplier for any purposes unrelated to the contract. Similarly, the Supplier shall not use such documents, data, and other information received from the Purchaser for any purpose other than the performance of the Contract.

20.3 The obligation of a party under GCC Sub-Clauses 20.1 and 20.2 above, however, shall not apply to information that:

(a) the Purchaser or Supplier need to share with the World Bank/ADB or other institutions participating in the financing of the Contract;

(b) now or hereafter enters the public domain through no fault of that party;

(c) can be proven to have been possessed by that party at the time of disclosure and which was not previously obtained, directly or indirectly, from the other party; or

(d) otherwise lawfully becomes available to that party from a third party that has no obligation of confidentiality.

20.4 The above provisions of GCC Clause 20 shall not in any way modify any undertaking of confidentiality given by either of the parties hereto prior to the date of the Contract in respect of the Supply or any part thereof.

20.5 The provisions of GCC Clause 20 shall survive completion or termination, for whatever reason, of the Contract.

21. Subcontracting

21.1 The Supplier shall notify the Purchaser in writing of all subcontracts awarded under the Contract if not already specified in the bid. Such notification, in the original bid or
later shall not relieve the Supplier from any of its obligations, duties, responsibilities, or liability under the Contract.

21.2 Subcontracts shall comply with the provisions of Clauses 3 and 7.

22. Specifications and Standards

22.1 Technical Specifications and Drawings

(a) The Goods and Related Services supplied under this Contract shall conform to the technical specifications and standards mentioned in the Schedule of Requirements.

(b) The Supplier shall be entitled to disclaim responsibility for any design, data, drawing, specification or other document, or any modification thereof provided or designed by or on behalf of the Purchaser, by giving a notice of such disclaimer to the Purchaser.

(c) Wherever references are made in the Contract to codes and standards in accordance with which it shall be executed, the edition or the revised version of such codes and standards shall be those specified in the Schedule of Requirements. During Contract execution, any changes in any such codes and standards shall be applied only after approval by the Purchaser and shall be treated in accordance with Clause 33.

23. Packing and Documents

23.1 The Supplier shall provide such packing of the Goods as is required to prevent their damage or deterioration during delivery to their final destination, as indicated in the Contract. During delivery, the packing shall be sufficient to withstand, without limitation, rough handling and exposure to extreme temperatures, salt and precipitation, and open storage. Packing case size and weights shall take into consideration, where appropriate, the remoteness of the goods’ final destination and the absence of heavy handling facilities at all points in transit.

23.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the Contract, including additional requirements, if any, specified in the Special Conditions of Contract, and in any other instructions ordered by the Purchaser.

24. Insurance

24.1 Unless otherwise specified in the Special Conditions of Contract, the Goods supplied under the Contract shall be fully insured in Chinese Renminbi against loss or damage
incidental to manufacture or acquisition, transportation, storage, and delivery, in accordance with the applicable INCOTERMS or in the manner specified in the Special Conditions of Contract.

25. Transportation 25.1 Unless otherwise specified in the Special Conditions of Contract, responsibility for arranging transportation of the Goods shall be in accordance with the specified INCOTERMS.

26. Inspections and Tests 26.1 The Supplier shall at its own expense and at no cost to the Purchaser carry out all such tests and/or inspections of the Goods and Related Services as are specified in the Special Conditions of Contract. The inspections and tests may be conducted on the premises of the Supplier or its Subcontractor, at point of delivery, and/or at the Goods’ final destination, or in another place as specified in the Special Conditions of Contract. Subject to Sub-Clause 26.3, if conducted on the premises of the Supplier or its Subcontractor, all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to the Purchaser.

26.2 The Purchaser or its designated representative shall be entitled to attend the tests and/or inspections referred to in Sub-Clause 26.1, provided that the Purchaser bear all of its own costs and expenses incurred in connection with such attendance including, but not limited to, all traveling and board and lodging expenses.

26.3 Whenever the Supplier is ready to carry out any such test and inspection, it shall give a reasonable advance notice, including the place and time, to the Purchaser. The Supplier shall obtain from any relevant third party or manufacturer any necessary permission or consent to enable the Purchaser or its designated representative to attend the test and/or inspection.

26.4 The Purchaser may require the Supplier to carry out any test and/or inspection not required by the Contract but deemed necessary to verify that the characteristics and performance of the Goods comply with the technical specifications codes and standards under the Contract, provided that the Supplier’s reasonable costs and expenses incurred in the carrying out of such test and/or inspection shall be added to the Contract Price. Further, if such test and/or inspection impede the progress of manufacturing and/or the Supplier’s performance of its other obligations under the Contract, due allowance will be made in respect of the Delivery Dates and Completion Dates and the other
obligations so affected.

26.5 The Supplier shall provide the Purchaser with a report of the results of any such test and/or inspection.

26.6 The Purchaser may reject any Goods or any part thereof that fail to pass any test and/or inspection or do not conform to the specifications. The Supplier shall either rectify or replace such rejected Goods or parts thereof or make alterations necessary to meet the specifications at no cost to the Purchaser, and shall repeat the test and/or inspection, at no cost to the Purchaser, upon giving a notice pursuant to Sub-Clause 26.4.

26.7 The Supplier agrees that neither the execution of a test and/or inspection of the Goods or any part thereof, nor the attendance by the Purchaser or its representative, nor the issue of any report pursuant to Sub-Clause 26.5, shall release the Supplier from any warranties or other obligations under the Contract.

27. Liquidated Damages

27.1 Except as provided under Clause 32, if the Supplier fails to deliver any or all of the Goods by the Date(s) of delivery or perform the Related Services within the period specified in the Contract, the Purchaser may without prejudice to all its other remedies under the Contract, deduct from the Contract Price, as liquidated damages, a sum equivalent to the percentage specified in the Special Conditions of Contract, of the delivered price of the delayed Goods or unperformed Services for each week or part thereof of delay until actual delivery or performance, up to a maximum deduction of the percentage specified in the Special Conditions of Contract. Once the maximum is reached, the Purchaser may terminate the Contract pursuant to Clause 35.

28. Warranty

28.1 The Supplier warrants that all the Goods are new, unused, and of the most recent or current models, and that they incorporate all recent improvements in design and materials, unless provided otherwise in the Contract.

28.2 Subject to Sub-Clause 22.1(b), the Supplier further warrants that the Goods shall be free from defects arising from any act or omission of the Supplier or arising from design, materials, and workmanship, under normal use in the conditions prevailing in China.

28.3 Unless otherwise specified in the Special Conditions of Contract, the warranty shall remain valid for twelve (12) months after the Goods, or any portion thereof as the case may be, have been delivered to and accepted at the final
destination indicated in the Special Conditions of Contract.

28.4 The Purchaser shall give notice to the Supplier stating the nature of any such defects together with all available evidence thereof, promptly following the discovery thereof. The Purchaser shall afford all reasonable opportunity for the Supplier to inspect such defects.

28.5 Upon receipt of such notice, the Supplier shall, within the period specified in the Special Conditions of Contract, expeditiously repair or replace the defective Goods or parts thereof, at no cost to the Purchaser.

28.6 If having been notified, the Supplier fails to remedy the defect within the period specified in the Special Conditions of Contract, the Purchaser may proceed to take within a reasonable period such remedial action as may be necessary, at the Supplier’s risk and expense and without prejudice to any other rights which the Purchaser may have against the Supplier under the Contract.

29. Patent Indemnity

29.1 The Supplier shall, subject to the Purchaser’s compliance with Sub-Clause 29.2, indemnify and hold harmless the Purchaser and its employees and officers from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of any nature, including attorney’s fees and expenses, which the Purchaser may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright, or other intellectual property right registered or otherwise existing at the date of the Contract by reason of:

(a) the installation of the Goods by the Supplier or the use of the Goods in the place where the Site is located; and

(b) the sale of the products produced by the Goods.

Such indemnity shall not cover any use of the Goods or any part thereof other than for the purpose indicated by or to be reasonably inferred from the Contract, neither any infringement resulting from the use of the Goods or any part thereof, or any products produced thereby in association or combination with any other equipment, plant, or materials not supplied by the Supplier, pursuant to the Contract.

29.2 If any proceedings are brought or any claim is made against the Purchaser arising out of the matters referred to in
Sub-Clause 29.1, the Purchaser shall promptly give the Supplier a notice thereof, and the Supplier may at its own expense and in the Purchaser’s name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim.

29.3 If the Supplier fails to notify the Purchaser within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Purchaser shall be free to conduct the same on its own behalf.

29.4 The Purchaser shall, at the Supplier’s request, afford all available assistance to the Supplier in conducting such proceedings or claim, and shall be reimbursed by the Supplier for all reasonable expenses incurred in so doing.

29.5 The Purchaser shall indemnify and hold harmless the Supplier and its employees, officers, and Subcontractors from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of any nature, including attorney’s fees and expenses, which the Supplier may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright, or other intellectual property right registered or otherwise existing at the date of the Contract arising out of or in connection with any design, data, drawing, specification, or other documents or materials provided or designed by or on behalf of the Purchaser.

30. Limitation of Liability

30.1 Except in cases of criminal negligence or willful misconduct,

(a) Neither party shall be liable to the other party, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the Supplier to pay liquidated damages to the Purchaser and

(b) the aggregate liability of the Supplier to the Purchaser, whether under the Contract, in tort or otherwise, shall not exceed the total Contract Price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment, or to any obligation of the Supplier to indemnify the Purchaser with respect to patent infringement

31. Change in

31.1 Unless otherwise specified in the Contract, if after the date
of twenty-eight (28) days prior to date of Bid submission, any law, regulation, ordinance, or order is enacted, promulgated, abrogated, or changed in the place where the Site is located (which shall be deemed to include any change in interpretation or application by the competent authorities) that subsequently affects the Delivery Date and/or the Contract Price, then such Delivery Date and/or Contract Price shall be correspondingly increased or decreased, to the extent that the Supplier has thereby been affected in the performance of any of its obligations under the Contract. Notwithstanding the foregoing, such additional or reduced cost shall not be separately paid or credited if the same has already been accounted for in the price adjustment provisions where applicable, in accordance with Clause 15.

32. Force Majeure

32.1 The Supplier shall not be liable for forfeiture of its Performance Security, liquidated damages, or termination for default if and to the extent that its delay in performance or other failure to perform its obligations under the Contract is the result of an event of Force Majeure.

32.2 For purposes of this Clause, “Force Majeure” means an event or situation beyond the control of the Supplier that is not foreseeable, is unavoidable, and its origin is not due to negligence or lack of care on the part of the Supplier. Such events may include, but not be limited to, acts of the Purchaser in its sovereign capacity, wars or fires, floods, epidemics, quarantine restrictions, and freight embargoes.

32.3 If a Force Majeure situation arises, the Supplier shall promptly notify the Purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the Purchaser in writing, the Supplier shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.

33. Change Orders and Contract Amendments

33.1 The Purchaser may at any time order the Supplier through notice in accordance Clause 8, to make changes within the general scope of the Contract in any one or more of the following:

(a) drawings, designs, or specifications, where Goods to be furnished under the Contract are to be specifically manufactured for the Purchaser;

(b) the method of shipment or packing;

(c) the place of delivery; and
(d) the Related Services to be provided by the Supplier.

33.2 If any such change causes an increase or decrease in the cost of, or the time required for, the Supplier’s performance of any provisions under the Contract, an equitable adjustment shall be made in the Contract Price or in the Delivery/Completion Schedule, or both, and the Contract shall accordingly be amended. Any claims by the Supplier for adjustment under this Clause must be asserted within twenty-eight (28) days from the date of the Purchaser’s receipt of the Purchaser’s change order.

33.3 Prices to be charged by the Supplier for any Related Services that might be needed but which were not included in the Contract shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the Supplier for similar services.

33.4 Subject to the above, no variation in or modification of the terms of the Contract shall be made except by written amendment signed by the parties.

34. Extensions of Time

34.1 If at any time during performance of the Contract, the Supplier or its subcontractors should encounter conditions impeding timely delivery of the Goods or completion of Related Services pursuant to Clause 12, the Supplier shall promptly notify the Purchaser in writing of the delay, its likely duration, and its cause. As soon as practicable after receipt of the Supplier’s notice, the Purchaser shall evaluate the situation and may at its discretion extend the Supplier’s time for performance, in which case the extension shall be ratified by the parties by amendment of the Contract.

34.2 Except in case of Force Majeure, as provided under Clause 32, a delay by the Supplier in the performance of its Delivery and Completion obligations shall render the Supplier liable to the imposition of liquidated damages pursuant to Clause 27, unless an extension of time is agreed upon, pursuant to Sub-Clause 34.1.

35. Termination

35.1 Termination for Default

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

(i) if the Supplier fails to deliver any or all of the Goods within the period specified in the Contract, or within any extension thereof
granted by the Purchaser pursuant to Clause 33;

(ii) if the Supplier fails to perform any other obligation under the Contract; or

(iii) if the Supplier, in the judgment of the Purchaser has engaged in fraud and corruption, as defined in Clause 3, in competing for or in executing the Contract.

(b) In the event the Purchaser terminates the Contract in whole or in part, pursuant to Clause 35.1(a), the Purchaser may procure, upon such terms and in such manner as it deems appropriate, Goods or Related Services similar to those undelivered or not performed, and the Supplier shall be liable to the Purchaser for any additional costs for such similar Goods or Related Services. However, the Supplier shall continue performance of the Contract to the extent not terminated.

35.2 Termination for Insolvency.

(a) The Purchaser may at any time terminate the Contract by giving notice to the Supplier if the Supplier becomes bankrupt or otherwise insolvent. In such event, termination will be without compensation to the Supplier, provided that such termination will not prejudice or affect any right of action or remedy that has accrued or will accrue thereafter to the Purchaser.

35.3 Termination for Convenience.

(a) The Purchaser, by notice sent to the Supplier, may terminate the Contract, in whole or in part, at any time for its convenience. The notice of termination shall specify that termination is for the Purchaser’s convenience, the extent to which performance of the Supplier under the Contract is terminated, and the date upon which such termination becomes effective.

(b) The Goods that are complete and ready for shipment within twenty-eight (28) days after the Supplier’s receipt of notice of termination shall be accepted by the Purchaser at the Contract terms and prices. For the remaining Goods, the Purchaser may elect:

(i) to have any portion completed and delivered at the Contract terms and prices; and/or
(ii) to cancel the remainder and pay to the Supplier an agreed amount for partially completed Goods and Related Services and for materials and parts previously procured by the Supplier.

36. Assignment 36.1 Neither the Purchaser nor the Supplier shall assign, in whole or in part, their obligations under this Contract, except with prior written consent of the other party.
Section VIII. Special Conditions of Contract

The following Special Conditions of Contract shall supplement and /or amend the General Conditions of Contract. Whenever there is a conflict, the provisions herein shall prevail over those in the General Conditions of Contract.

(The Purchaser shall select insert the appropriate wording using the samples below or other acceptable wording, and delete the text in italics.)

<table>
<thead>
<tr>
<th>Clause 1.1 (a)</th>
<th>Name of financial institution: (select the World Bank or Asian Development or Chinese Government)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clause 1.1 (h)</td>
<td>The Purchaser is: (Insert complete legal name of the Purchaser)</td>
</tr>
<tr>
<td>Clause 1.1 (k)</td>
<td>The Supplier is: (Insert complete legal name of the Supplier)</td>
</tr>
<tr>
<td>Clause 1.1 (l)</td>
<td>The Project Site is: (Insert name(s) and detailed information on the location(s) of the site(s))</td>
</tr>
<tr>
<td>Clause 3.1</td>
<td>For ADB financed projects, the following clause shall be inserted:</td>
</tr>
<tr>
<td></td>
<td>“ADB’s Anticorruption Policy requires borrowers (including beneficiaries of ADB-financed activity) as well as bidders, suppliers, and contractors under ADB-financed contracts observe the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, the ADB:</td>
</tr>
<tr>
<td></td>
<td>(a) defines, for the purposes of this provision, the terms set forth below as follows:</td>
</tr>
<tr>
<td></td>
<td>(i) “corrupt practice” means the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party.</td>
</tr>
<tr>
<td></td>
<td>(ii) “fraudulent practice” means 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.</td>
</tr>
<tr>
<td></td>
<td>(iii) “coercive practice” means 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.</td>
</tr>
<tr>
<td></td>
<td>(iv) “collusive practice” means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.</td>
</tr>
<tr>
<td></td>
<td>(b) will reject a proposal for award if it determines that the bidder</td>
</tr>
</tbody>
</table>
recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, coercive or collusive practice in competing for the Contract, and

(c) will sanction a party or its successor, including declaring ineligible, either indefinitely or for a stated period of time to participate in ADB-financed activities if it at any time determines that the firm has, directly or through an agent, engaged in corrupt, fraudulent, coercive or collusive practice in competing for, or in executing an ADB-financed contract.

(d) will have the right to require the Supplier to permit the ADB to inspect the Supplier’s accounts and records relating to the performance of the Supplier and have them audited by auditors appointed by the ADB, if so required by the ADB.

For the World Bank financed projects, the following clause shall be inserted:

“The World Bank’s Anticorruption Policy requires borrowers (including beneficiaries of the World Bank-financed activity) as well as bidders, suppliers, and contractors under the World Bank-financed contracts observe the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, the World 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\(^\text{11}\);

(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\(^\text{12}\);

(iii) “collusive practice” is an arrangement between two or more parties\(^\text{13}\) 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\(^\text{14}\);

(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 sub-clause (e) below.

(b) will reject a proposal for award if it determines that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for the contract in question;

\(^\text{11}\) “Another party” refers to a public official acting in relation to the procurement process or contract execution. In this context, “public official” includes World Bank staff and employees of other organizations taking or reviewing procurement decisions.
(c) will cancel the portion of the loan allocated to a contract if it determines at any time that representatives of the Borrower or of a beneficiary of the loan engaged in corrupt, fraudulent, collusive, or coercive practices during the procurement or the execution of that contract, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur; and

(d) will sanction a firm or individual, including declaring ineligible, either indefinitely or for a stated period of time, to be awarded a Bank-financed contract if it at any time determines that the firm has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a Bank-financed contract;

The Supplier shall permit, and shall cause its Subcontractors and consultants to permit, the Bank and/or persons appointed by the Bank to inspect the Supplier’s offices and all accounts and records relating to the performance of the Contract and the submission of the bid, and to have such accounts and records audited by auditors appointed by the Bank if requested by the Bank. The Supplier’s and its Subcontractors and consultants’ attention is drawn to Sub-Clauses 3.1(a) and (d) which provide, inter alia, that acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under this Sub-Clause constitute a prohibited practice subject to contract termination (as well as to a determination of ineligibility pursuant to the Bank’s prevailing sanctions procedures).

### Clause 4.2
The meaning of the trade terms shall be as prescribed by INCOTERMS. The version edition of INCOTERMS shall be (insert year of current edition)

---

12 “Party” refers to a public official; the terms “benefit” and “obligation” relate to the procurement process or contract execution; and the “act or omission” is intended to influence the procurement process or contract execution.

13 “Parties” refers to participants in the procurement process (including public officials) attempting to establish bid prices at artificial, non competitive levels.

14 “Party” refers to a participant in the procurement process or contract execution.
<table>
<thead>
<tr>
<th>Clause 7.1</th>
<th>For ADB financed projects: please replace Clause 7.1 of General Conditions of Contract with the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7.1 The Supplier and its subcontractors shall have the nationality of an eligible country. A Supplier or Subcontractors shall be deemed to have the nationality of a country if it is a citizen or constituted or incorporated, and operated in conformity with the provisions of the laws of that country;</td>
</tr>
<tr>
<td></td>
<td>7.2 All goods and Related Services to be supplied under the Contract and financed by the ADB shall have their origin, in eligible countries. For the purpose of this Clause, origin means that the country where the goods have been grown, mined, cultivated, produced, and manufactured, or processed; or through manufacture, processing, or assembly, another commercially recognized article results that differs substantially in its basic characteristics from its imported components.</td>
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</tbody>
</table>

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<thead>
<tr>
<th>Clause 8.1</th>
<th>Address of the Purchaser:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Address of the Supplier:</td>
</tr>
</tbody>
</table>

| Clause 10.2 | The rules of procedure for arbitration proceedings pursuant to Clause 10.2 shall be in accordance with the laws of China |

| Clause 12.1 | Details of Shipping and other Documents to be furnished by the Supplier are (select the required documents, such as negotiable bill of lading, a non-negotiable sea way bill, an airway bill, a railway consignment note, a road consignment note, insurance certificate, Manufacturer’s or Supplier’s warranty certificate, inspection certificate issued by nominated inspection agency, Supplier’s factory shipping details etc). The above documents shall be received by the Purchaser before arrival of the Goods and, if not received, the Supplier will be responsible for any consequent expenses. |

<table>
<thead>
<tr>
<th>Clause 15.2</th>
<th>The price adjustment shall be: (indicate if prices under the Contract shall be adjusted, if so, insert the methodology for adjustment)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For example insert: Pursuant to GCC 15.2, prices payable to the Supplier, as stated in the Contract, shall be subject to adjustment during performance of the Contract to reflect changes in the cost of labor and material components in accordance with the formula:</td>
</tr>
<tr>
<td></td>
<td>[ P_1 = P_0 \left( a + \frac{bL_1}{L_0} + \frac{cM_1}{M_0} \right) ]</td>
</tr>
</tbody>
</table>


Section VIII. Special Conditions of Contract

\[ a + b + c = 1 \]

in which:

\[ P_1 = \text{adjustment amount payable to the Supplier.} \]
\[ P_0 = \text{Contract Price (base price).} \]
\[ a = \text{fixed element representing profits and overheads included in the Contract Price and generally in the range of five (5) to fifteen (15) percent.} \]
\[ b = \text{estimated percentage of labor component in the Contract Price.} \]
\[ c = \text{estimated percentage of material component in the Contract Price.} \]
\[ L_0, L_1 = \text{labor indices applicable to the appropriate industry in China on the base date and date for adjustment, respectively.} \]
\[ M_0, M_1 = \text{material indices for the major raw material on the base date and date for adjustment, respectively, in China.} \]

The coefficients a, b, and c as specified by the Purchaser are as follows:

\[ a = \text{[insert value of coefficient]} \]
\[ b = \text{[insert value of coefficient]} \]
\[ c = \text{[insert value of coefficient]} \]

The Bidder shall indicate the source of the indices and the base date indices in its bid.

Base date = thirty (30) days prior to the deadline for submission of the bids.

Date of adjustment = \[\text{[insert number of weeks]}\] weeks prior to date of shipment (representing the mid-point of the period of manufacture).

The above price adjustment formula shall be invoked by either party subject to the following further conditions:

(a) No price adjustment shall be allowed beyond the original delivery dates unless specifically stated in the extension letter. As a rule, no price adjustment shall be allowed for periods of delay for which the Supplier is entirely responsible. The Purchaser will, however, be entitled to any decrease in the prices of the Goods and Services subject to adjustment.

(b) No price adjustment shall be payable on the portion of the
Clause 16.1  

Clause 16.1 – The method and conditions of payment to be made to the Supplier under this Contract shall be as follows:

Payment for Goods and Services supplied shall be made in Chinese Renminbi, as follows:

(i) **Advance Payment:** Ten (10) percent of the Contract Price shall be paid within thirty (30) days of signing of the Contract against a simple receipt and a bank guarantee for the equivalent amount and in the form provided in the bidding documents or another form acceptable to the Purchaser.

(ii) **On Delivery:** Eighty (80) percent of the Contract Price shall be paid on receipt of the Goods and upon submission of the documents specified in Clause 12.

(iii) **On Acceptance:** The remaining ten (10) percent of the Contract Price shall be paid to the Supplier within thirty (30) days after the date of the acceptance certificate for the respective delivery issued by the Purchaser.

Clause 16.4  

The payment-delay period after which the Purchaser shall pay interest to the Supplier shall be *(insert number)* days.

The interest rate that shall be applied is *(insert number)*%.

Clause 18.1  

A Performance Security shall be required. The amount of the Performance Security shall be: *(insert amount)*

*(The amount of the Performance Security is usually expressed as a percentage of the Contract Price. The percentage varies according to the Purchaser’s perceived risk and impact of non-performance by the Supplier. A 10% percentage is used under normal circumstances)*

Clause 18.3  

The Performance Security shall be in the form of: *(insert Bank Guarantee)*

The Performance security shall be denominated in Chinese Renminbi.

Clause 18.4  

Discharge of the Performance Security shall take place: *(insert date if different from the one indicated in Sub-Clause 18.4)*

Clause 23.2  

*(insert in detail the type of packing required, the markings in the packing and all documentation required)*

*The following sample clauses are provided:*
The packing, marking and documentation within and outside the packages shall be:

**Packing:** (1) The supplied Goods shall be packed by standard protective measures. Such packing shall be suitable for long distance transportation and well protected against dampness, moisture, shock, rust and rough handling so as to ensure that the Goods will safely arrive at the designated site without any damage due to the above mentioned reasons, and

(2) In each package there shall be one copy each of the detailed packing list and the quality certificate.

**Marking:** (1) The Supplier shall mark the following on the four adjacent sides of each package with indelible paint in conspicuous Chinese printed words:

A. CONSIGNEE  
B. CONTRACT NO.  
C. SHIPPING MARK  
D. CONSIGNEE CODE  
E. DESTINATION  
F. NAME OF GOODS AND ITEM NO., CASE NO.  
G. GROSS/NET WEIGHT (Kg)  
H. MEASUREMENT (LENGTH x WIDTH x HEIGHT IN CM)

(2) If any package weighs two (2) tons or more, the Supplier shall mark on two sides of each package in Chinese and with appropriate transportation marks to show the "center of gravity" and "points of slinging" in order to facilitate loading, discharging and handling. According to the characteristics of the Goods and the different requirements in transportation, packages shall be marked legibly by the Supplier with words "Handle with Care", "Right Side Up", "Keep Dry", etc., and with other appropriate marks.
| Clause 24.1 | The insurance coverage shall be as specified in the Incoterms. If not in accordance with Incoterms, insurance shall be as follows:

(for example insert “The Supplier is required under the Contract to insure the Goods in an amount equal to 110 percent of the EXW price of the Goods on "all risks" basis and related costs shall be included in the Contract Price.”) |
| Clause 25.1 | Responsibility for transportation of the Goods shall be as specified in the Incoterms. If not in accordance with Incoterms, responsibility of transportations shall be as follows:

(for example insert “The Supplier is required under the Contract to transport the Goods to a specified place of final destination, defined as the Project Site, transport to such place of destination, including storage, as shall be specified in the Contract, shall be arranged by the Supplier, and related costs shall be included in the Contract Price.”) |
| Clause 26.1 | The inspections and tests shall be: (insert nature, frequency, procedures for carrying out the inspections and tests) |
| Clause 26.2 | The Inspections and tests shall be conducted at: (insert name(s) of location(s)) |
| Clause 27.1 | The liquidated damage is ___ (insert percentage, normally 0.5% of the Contract Price) per week. |
| Clause 27.1 | The maximum amount of liquidated damages is ___ (insert the percentage, normally 10% of the Contract Price) |
| Clause 28.3 | The period of validity of the Warranty shall be: (insert number) days For purposes of the Warranty, the place(s) of final destination(s) shall be:

(insert name(s) of location(s)) |
| Clause 28.5 | The period for repair or replacement shall be: (insert number(s)) days. |
| Clause 28.6 | The period shall be: (insert number(s)) days. |
Section IX  Contract Forms
Section IX  Contract Forms

Table of Forms

1. Contract Agreement

2. Performance Security

3. Bank Guarantee for Advance Payment
Contract Agreement

(The successful Bidder shall fill in this form in accordance with the instructions indicated)

THIS CONTRACT AGREEMENT is made

the (insert: number) day of (insert: month), (insert: year).

BETWEEN

(1) (insert Purchaser’s complete name), and having its principal place of business at (insert Purchaser’s address) (hereinafter called “the Purchaser”), and

(2) (insert Supplier’s name), a corporation incorporated under the laws of (insert: Supplier’s country) and having its principal place of business at (insert: Supplier’s address) (hereinafter called “the Supplier”).

WHEREAS the Purchaser invited bids for certain Goods and ancillary services, viz., (insert brief description of Goods and Services) and has accepted a Bid by the Supplier for the supply of those Goods and Services in the sum of (insert Contract Price in words and figures) (hereinafter called “the Contract Price”).

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract referred to.

2. The following documents shall constitute the Contract between the Purchaser and the Supplier, and each shall be read and construed as an integral part of the Contract:

(a) This Contract Agreement
(b) Special Conditions of Contract
(c) General Conditions of Contract
(d) Technical Requirements (including Schedule of Requirements and Technical Specifications)
(e) The Supplier’s Bid and original Price Schedules
(f) The Purchaser’s Notification of Award
(g) Copy of the Performance Security

3. This Contract shall prevail over all other Contract documents. In the event of any discrepancy or inconsistency within the Contract documents, then the documents shall prevail in the order listed above.
4. In consideration of the payments to be made by the Purchaser to the Supplier as hereinafter mentioned, the Supplier hereby covenants with the Purchaser to provide the Goods and Services and to remedy defects therein in conformity in all respects with the provisions of the Contract.

5. The Purchaser hereby covenants to pay the Supplier in consideration of the provision of the Goods and Services and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with the laws of China on the day, month and year indicated above.

For and on behalf of the Purchaser

Signed and sealed: ________________
(insert signature)

In the capacity of ________________
(insert title or other appropriate designation)

For and on behalf of the Supplier ________________

Signed and sealed: ________________
(insert signature of authorized representative(s) of the Supplier)

In the capacity of ________________
(insert title or other appropriate designation)
2. Performance Security

(The bank that issues Performance Security shall present the Bank Guarantee in the Form in accordance with the instructions indicated below and issue such a Bank Guarantee under the official letterhead and with the official reference number of the issuing bank)

Date: (insert date (as day, month, and year) of Bid Submission)

Bid No. and title: (insert no. and title of bidding process)

Bank’s Branch or Office: (insert complete name of Guarantor)

Beneficiary: (insert complete name of Purchaser)

PERFORMANCE GUARANTEE No.: (insert Performance Guarantee number)

We have been informed that __________________ (insert complete name of Supplier) (hereinafter called "the Supplier") has entered into Contract No. _______________ (insert number) dated _______________ (insert day and month), __________ (insert year) with you, for the supply of __________________ (description of Goods and related Services) (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, a Performance Guarantee is required.

At the request of the Supplier, we hereby irrevocably undertake to pay you any sum(s) not exceeding _______________ (insert amount(s) in figures and words) upon receipt by us of your first demand in writing declaring the Supplier to be in default under the Contract, without cavil or argument, or your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

This Guarantee shall expire no later than the ________ (insert number) day of _______________ (insert month) __________ (insert year), and any demand for payment under it must be received by us at this office on or before that date.

Name: [insert complete name of person signing the Security]

In the capacity of: [insert legal capacity of person signing the Security]

Signed: [insert signature of the person whose name and capacity are shown above]

Duly authorized to sign the Security for and on behalf of [insert seal and complete name of Guarantor]

Official seal:

Date: [insert date of signing]
3. Bank Guarantee for Advance Payment

[The bank that issues Bank Guarantee for Advance Payment shall present the Bank Guarantee in the Form in accordance with the instructions indicated below and issue such a Bank Guarantee under the official letterhead and with the official reference number of the issuing bank.]

Date: (insert date (as day, month, and year) of Bid Submission)

Bid No. and title: (insert number and title of bidding process)

Beneficiary: (insert legal name and address of Purchaser)

ADVANCE PAYMENT GUARANTEE No.: (insert Advance Payment Guarantee no.)

We, __________________ (insert legal name and address of bank), have been informed that __________________ (insert complete name and address of Supplier) (hereinafter called "the Supplier") has entered into Contract No. __________________ (insert number) dated ________________ (insert date of Agreement) with you, for the supply of __________________ (insert types of Goods to be delivered) (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, an advance is to be made against an advance payment guarantee.

At the request of the Supplier, we hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of __________________ (insert amount(s) in figures and words) upon receipt by us of your first demand in writing declaring that the Supplier is in breach of its obligation under the Contract because the Supplier used the advance payment for purposes other than toward delivery of the Goods.

It is a condition for any claim and payment under this Guarantee to be made that the advance payment referred to above must have been received by the Supplier on its account __________________ (insert number and domicile of the account)

This Guarantee shall remain valid and in full effect from the date of the advance payment received by the Supplier under the Contract until ________________ (insert date).

Name: [insert complete name of person signing the Security]

In the capacity of: [insert legal capacity of person signing the Security]

Signed: [insert signature of person whose name and capacity are shown above]

Duly authorized to sign the security for and on behalf of: [insert seal and complete name of Guarantor]

Official seal:
Date: [insert date of signing]