Special Conditions of Contract (SCC)

SCC Clauses	
Definitions	
1.	Contract will come into effect/commenced after fulfillment of all the terms and conditions prescribed in the bidding documents
2.	The Procuring Agency is: ***Islamabad Electric Supply Company's Authorized*** ***Chief Engineer (MM)*** ***IESCO***
3.	Legitimate Delivery date as Schedule of Requirement attached as Annexure
4.	The Bidder is: ____________________ ____________________ ____________________ **Note:** The Name and address of the Most Advantageous Bidder be written here while signing the Contract Agreement with him.
Application and interpretation	
5.	a) Performance Guarantee b) Letter of credit before signing of contract agreement c) Revised Power of Attorney if any d) Correspondences between bidder & Procuring Agency e) IESCO Mechanism for Blacklisting f) For the Contracts amounting to more than PKR 50 Million, the Supplier's **"Declaration of Beneficial Owner (s) Information as per PPRA SRO 592(I)/2022 dated 10.05.2022"** on prescribed proforma shall be part of the Contract agreement. g) The Contract Agreement shall be signed on Non-judicial Stamp Paper as per Stamp Duty Act 1899. The Bidder shall sign each page of IESCO Blacklisting Mechanism provided in the Bidding document in addition to PPRA Rule-19, which shall be the part of Contract Agreement.
Conditions Precedent	
6.	**Advance Payment** The Advance Payment is not allowed. C). Letter of Credit to be opened by foreign bidder within 14 days from date of signing of contract for payment upon submission of Bill of Landing and other document as per term of payment. However, cost for opening of Letter of credit to be borne by bidder and IESCO will help for LC opening. In case supplier fail to provide requisite document within 14 day then delivery period will come into effect.

Governing Language	
7.	The Governing Language shall be: ***English***
Applicable Law	
8.	The Applicable Law shall be: ***Laws of the Islamic Republic of Pakistan***
Performance Security (or guarantee)	
9.	The amount of performance security (or guarantee), as a percentage of the Contract Price, shall be Ten (5%) percent of the Contract Price in favor of CEO IESCO from; I. Local Supplier/Local Manufacturer Schedule Bank of Pakistan having rating A+ in shape of Bank Guarantee. Bidder will provide performance Guarantee at time of acceptance of Notification of Award. II. Foreign Supplier/Foreign Manufacturer Performance Guarantee will be issue through SWIFT transaction in Pakistani Banks having A+ Rating Bidder will use standard format of PG as per attached form.
	Cashier's or certified Check will not be accepted as Performance Guarantee
10.	After delivery and acceptance of the Goods, 100% percent of the Performance Security (or guarantee) shall be withheld to cover the Supplier's warranty obligations
	Inspections and Tests
11.	**For Foreign Manufacturer/Supplier;** Unless otherwise acceptance of type test report or fresh typing testing as the case may be, Quality and quantity inspection shall be carried out prior to shipment of Goods by the manufacturer(s) at the supplier's own expense and responsibility in terms of the items specified in the specifications. The supplier shall submit the inspection certificate issued by him which should be attached with the certificate(s) of the manufacturer(s) to the Procuring Agency in order to ensure that the goods are manufactured in compliance with the contract. Factory Acceptance Tests (FAT) shall be carried out at the premises of Manufacturer duly witnessed with IESCO Engineers. The Contractor shall keep the procuring agency informed of the progress of manufacture and notify the procuring agency approximately six (6) weeks in advance, in writing as to when the Goods or any part thereof will be ready

	for inspection and for shipping to wharf at the port of entry/disembarkation. Following the receipt of such notice, the Procuring agency shall nominate to arrange pre-shipment inspection of the Goods or any part thereof including the packing at the Contractor's premises and will issue a pre-shipment Inspection Report or waiver to pre-shipment inspection. The Goods or any part thereof shall be shipped or delivered only upon issuance of pre-shipment inspection report. The Goods/material shall be subject to the type, sample and routine tests as described in the Specifications. The contractor shall provide free of charge all such assistance, instruments, machines, labor and materials as are normally required for carrying out such tests. In case a part or whole of the equipment being supplied by the contractor is from within the country (Pakistan) or outside country, the cost of performing as well as witnessing any test (Type or FAT) by the Inspectors during pre-shipment shall be borne by the contractor if such tests are clearly intended by or provided for in the specifications or as agreed between IESCO and the contractor. Two (2) number authorized Engineers from IESCO will carry out inspection of the material at manufacturer's works. A notice of at least six (6) weeks advance, in writing shall have to be given to the IESCO by the Supplier when the stores against the order are ready for Inspection. Manufacturer will provide facilities for tests as per tender specifications free of cost. All reasonable facilities as provided in the specifications or followed by Trade & Industry in general shall have to be offered to the Inspecting officers, by the Supplier at their expense for carrying out Testing and Inspection. If Goods are being manufactured on other premises, the Contractor shall obtain permission of the procuring agency to carry out such inspection, examinations and testing at those premises. For such purpose, the Supplier shall provide free access at all times during manufacture, assembly and testing to the premises in which the work is being carried out.

	The contractor will cover all the expenses in context of witnessing of the tests by the Inspectors including 1st class traveling (by air or by road depending on the distance from Islamabad Pakistan to the place or places of inspections), boarding & lodging in any A class accommodation, local transportation and daily allowance as per prevailing rules per inspector to meet other expenses. Abroad Testing witnessing Minimum @ 100 USD and 15% incidental charges and if Finance Division circular vide No.F. 1(10)R-10/2006- 259 dated 2.8.2023 rates higher of the minimum requirement than higher TA/DA shall be paid. . Local Testing Witnessing as per prevailing rules and regulation of TA/DA. The supplier shall submit the inspection certificate issued by him which should be attached with the certificate(s) of the manufacturer(s) to the Procuring Agency in order to ensure that the goods are manufactured in compliance with the contract. In case the Goods fail to withstand any test, the cost of repeating such test and the cost of witnessing such test by the authorized Engineer/ Inspectors of IESCO shall be borne by the contractor and the equipment released or modified to the satisfaction of the Engineer without any additional cost to the IESCO. Any inspection and /or witnessing of tests or the waiving of such tests and /or surveillance by the Procuring Agency or their two Nos. representatives / Inspectors shall not relieve the Supplier of its obligations and responsibilities under the Contract regardless of any approval or consent given by the Procuring Agency or their two Nos. Representatives Inspector. Two copies of all the Inspection and Tests Reports and certificates including that for-quality control shall be supplied to IESCO. The IESCO/TSW or his two Nos. representatives/Inspector shall countersign the reports and certificates of such tests as have been witnessed.

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	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 GCC Clause. 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, the costs and expenses incurred in the carrying out of such test and/or inspection shall be borne by the Contractor / Supplier. 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. 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. In case, due to any Pandemic/ urgency of material etc. where foreign Inspection (if involved) may not be possible considering travels restrictions, requirement of material then third-party inspection by ILAC lab representative will be opted through signing of Addendum after approval of Competent Authority. In such cases contractor will provide 03-year additional extended Warranty in lieu of waiver of physical inspection. The third-party inspection will be carried out after obtaining approval of credible testing laboratory from IESCO conducted by third party inspector witnessed by two No. IESCO Inspectors on line through Zoom/ skype. The charges of testing/ witnessing of type tests will be borne by Supplier. The material will be delivered after approval of inspection certificate & test reports of approved lab inspectors from IESCO.

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	For Local Manufacturer/Supplier: Inspection of the material will be carried out at firm/supplier works/ manufacturer premises by Chief Engineer (MI) PPMC Lahore jointly with Chief Engineer (MM) IESCO Islamabad or his authorized representative/s. Notice in writing shall have to be given to the inspecting Officer(s) by the firm/supplier when the store against the order is ready for inspection at least 15 days prior to the date of inspection. All reasonable facilities as provided in the specifications or followed by the Industry or Trade in General shall also have to be afforded to the Inspecting Officer/s by the firm/supplier at his own expenses for carrying out Inspection. The firm/supplier will have to deposit @ 0.5% of the cost of the material (non-reimbursable) along with the inspection call to the Chief Engineer (MI) PPMC Lahore. **Note:-**In view of peculiar nature of material being procured, inspection of material by the Chief Engineer (MI) PPMC or by IESCO will be carried out within Pakistan and the firm shall have to offer the material for inspection accordingly, in accordance with prescribed delivery schedule. The Inspecting Officer may reject a part or the whole of the consignment tendered for inspection, if he found the material to be below the requirements of the particulars governing the supply given in the purchase order. In such cases: ii) The decision of the Inspecting Officer shall be binding on you. iii) If the material are rejected as aforesaid, then without prejudice to the right of the purchaser you may submit material in replacement of those rejected but re-submission will not mean extension of delivery period. Moreover, the firm/supplier will borne the expenses for the re-inspection of the material that will be offered against the rejected ones. iv) On final rejection the purchaser shall have the following rights:- a) To purchase the rejected goods at your cost and expense. b) To terminate the contract and recover from you the loss, the IESCO thereby incurs.
	Packing
12.	The Goods shall be packed properly in accordance with the Technical Specification as per international standard export packing practices or as specified by the Procuring Agency. Equipment during shipping shall not be expose for any humidity or such environment which affect the life of equipment.
13.	**Delivery and Documents**

	For Goods supplied from abroad: (Outside purchaser's country on CIP) Upon shipment, the Supplier shall notify the Procuring Agency and the Insurance Company by cable the full details of the shipment, including Contract number, description of Goods, quantity, the vessel, the bill of lading number and date, port of loading, date of shipment, port of discharge, etc. The Supplier shall mail the documents (but not limited to the following papers) to the Procuring Agency, with a copy to the Insurance Company: (i.) One original plus four copies of the Supplier's invoice showing Goods' description, quantity, unit price, and total amount; (ii.) original and four copies of the negotiable, clean, on-board bill of landing marked "freight prepaid" and four copies of nonnegotiable bill of lading; (iii.) One original plus four copies of the packing list identifying contents of each package; (iv.) Insurance Certificate; (v.) Manufacturers or Supplier's warranty certificate; (vi.) inspection certificate, issued by the nominated inspection agency, and the Supplier's factory inspection report; and (vii.) Certificate of country of origin issued by the chamber of commerce and industry or equivalent authority in the country of origin in duplicate. The above documents shall be received by the Procuring Agency at least one week before arrival of the Goods at the port or place of arrival and, if not received, the Supplier will be responsible for any consequent expenses.

	For Goods from within Pakistan: (within purchaser's country on EXW) Upon delivery of the Goods to the transporter, the Supplier shall notify the Procuring Agency and mail the following but not limited documents to the Procuring Agency: (i.) one original plus four copies of the Supplier's invoice showing Goods' description, quantity, unit price, and total amount; (ii.) delivery note, railway receipt, or truck receipt; (iii.) Manufacturer's or Supplier's warranty certificate; (iv.) inspection certificate issued by the nominated inspection agency, and the Supplier's factory inspection report; and (v.) Certificate of country of origin issued by Pakistan Chamber of Commerce and Industry or equivalent authority in the country of origin in duplicate. The above documents shall be received by the Procuring Agency before arrival of the Goods and, if not received, the Supplier will be responsible for any consequent expenses.
14.	**Insurance** The Insurance shall be in an amount equal to 110 percent of the applicable INCOTERM value of the Goods from "point of dispatch" to "Point of delivery" on "All Risks" basis, including War Risks and Strikes.
	Related Services
15.	Related services to be provided are: **All related services shall be as per Price and Completion Schedule Including insurance during Inland Transportation.**
	Spare Parts
16.	Additional spare parts requirements are: **As per Tender specification or otherwise as per tender inquiry.** **Note:** Supplier shall carry sufficient inventories to assure ex-stock supply of consumable spares for the Goods. Other spare parts and components shall be supplied as promptly as possible, but in any case, within six (6) months of placing the order and opening the letter of credit.
	Warranty
17.	The supplier will furnish a Warranty Certificate, certifying that the goods supplied conform exactly to the Specifications laid down in the Contract and are brand new and that in the event of the material being found defective or not conforming to the Specifications/Particulars governing supply at the time of delivery and for a period of **24-months** from the date of completion of supply, the supplier will be held responsible for all losses and that the unacceptable goods shall be substituted with the acceptable at your expense & cost.

18.	The period for correction of defects in the warranty period is: **Thirty (30) Days.**
19.	The period for taking remedial action for failure of correction of defects in the warranty period is: **thirty 30 Days from the date defect notified to the supplier at his cost and expense.**
	Payment
20.	The method and conditions of payment to be made to the Supplier under this Contract shall be as follows: **Payment for Goods supplied from abroad:** **A) payment will be made through LC (Cost for opening of LC shall be borne by Supplier) by the Finance Director IESCO Islamabad on production of the following documents:** a) Bill in triplicate mentioning clearly NTN No. & GST No. b) Delivery Challan and ERP Generated GRN duly stamped and signed by the consignee (in original). c) Warranty Certificate. d) General Sales Tax Invoice. e) Inspection Certificates f) Certificate from Procuring Agency Islamabad regarding acceptance of Performance Bond. g) Certificate from Excise & Taxation Department, certifying the fact that all payable professional taxes have been cleared by the supplier. h) Custom clearance certificate j) Certificate issued from consignee store Manager that materials received vide ERP Generated GRN No. __dated __has been taken on stock against stock code No. k) The payment of General Sales Tax, fixed by the Government, shall be made to the firm on production of General Sales Tax return cum payment Challan l) Advance payment is not applicable. **Note: Cost of contract shall be deposited in opened LC by Purchaser.**
	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 from within Pakistan:** **A) 100% payment will be made by the Finance Director IESCO Islamabad on production of the following documents:** a) Bill in triplicate mentioning clearly NTN No. & GST No. b) Delivery Challan and ERP Generated GRN duly stamped and signed by the consignee (in original). c) Warranty Certificate. d) General Sales Tax Invoice. e) Inspection Certificates

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	f) Certificate from Procuring Agency IESCO Islamabad regarding acceptance of Performance Bond. g) Certificate from Excise & Taxation Department, certifying the fact that all payable professional taxes have been cleared by the supplier. h) Custom clearance certificate j) Certificate issued from consignee store Manager that materials received vide ERP GRN No. ___dated ___has been taken on stock against stock code No. k) The payment of General Sales Tax, fixed by the Government, shall be made to the firm on production of General Sales Tax return cum payment Challan l) Advance payment is not applicable. OR B) Finance Director IESCO will establish a confirmed and irrevocable Letter of Credit for Rs. ______________________________/- through any nationalized bank of Pakistan in your favor. All charges relating to opening of <u>Letter of Credit</u> and negotiation thereon shall be borne by contractor. The amount of material excluding General Sales Tax i.e., Rs. _______________/- in the Letter of Credit shall be available for negotiation and en-cashable on submission of following documents: - i) Bill in triplicate mentioning clearly NTN No. & GST No. ii) Delivery Challan and GRN duly stamped and signed by the consignee iii) Warranty certificate iv) Inspection certificate from Nominated Inspector v) Certificate issued by the Procuring Agency, IESCO Islamabad regarding acceptance of Performance Bond. vi) Certificate from Excise & Taxation Department, certifying the fact that all payable professional taxes have been cleared by the supplier. vii) General Sales Tax Invoice. viii) Certificate issued from consignee store Manager that materials received vide GRN No. ___dated __has been taken on stock against stock code No. ix) The payment of amount of 18% General Sales Tax i.e., Rs. ____________**/-** in the Letter of Credit shall be available for negotiation and en-cashable on production of General Sales Tax invoice and General Sales Tax return cum payment Challan, as envisaged in Payment. Advance payment is not applicable.

	Delays in Supplier's Performance
21.	a) Extension of Time shall be considered by the Procuring Agency (PA) on following grounds: 1. The Contractor issues an inspection call as per prescribed time but purchaser fails to nominate inspectors within fifteen (15) days from receipt of Inspection call for foreign Inspection and seven (07) Days for local Inspection. 2. Inspector(s) does not provide the documents in time for issuance of invitation letter and visa in case of foreign inspection. In this regard, contractor shall provide written notice to inspector (s) as well as to the purchaser within seven (07) days of such happening. 3. Change in nomination of inspector (s) by the purchaser. 4. ERP Generated Good Received Note (GRN) not provided within three (03) days from arrival of material at IESCO Regional Store Islamabad. 5. Any other delay caused by the purchaser or its person (s). b) Extension of Time shall not be considered by the Procuring Agency (PA) for the following reasons. 1. Contractor does not issue inspection call as per prescribed time. 2. Contractor does not arrange invitation letter and visa for inspector (s) within seven (07) days of issuance of nomination letter in case of foreign inspection. 3. Any other delay caused by the contractor or its person (s) without notification to purchaser. Extension of Time shall be approved equal to delay in delivery or completion of contract by the purchaser in days. However, EOT is not an obligation of Purchaser unless otherwise it is justified.
	Liquidated Damages
22.	Applicable rate: ***0.06% per day*** Maximum deduction: ***10% of the Contract Price.*** Liquidated damages will be deducted of only those materials which are undelivered during contract delivery period.
	Force Majeure
23	The right of the IESCO to terminate the Contract, or to claim penalty or to liquidated damages shall be subject to the circumstances mentioned at Clause 24, however, as a result of all or any of events mentioned below there has been delay in the performance of the contract by the Manufacturer or Supplier, or the contract has

	become incapable of being performed extension may be allowed in the delivery period without imposing penalty i.e. liquidated damages as mentioned in the contract. The supplier is bound to submit its request for extension within 15 days from the occurrence of such event. i) Act of God. ii) Act of State, War or any Act of the Enemy. iii) Lock outs, Riots or Civil Commotion. iv) Injunction granted by a Court of Competent jurisdiction not resulting from any fault of the Manufacturer or Suppliers. v) Restriction imposed by the government on the Import of any material relating to the manufacture of goods. vi) Non-receipt of raw material from abroad for reasons beyond the control of the manufacturer. vii) Port delays due to bunkerage or lighterage. Diversions of supplies by the Carrier without any fault or knowledge of the manufacturer or supplier.
24	**Termination for Default**
	If you fail to deliver the stores or any consignment thereof within the specified delivery period, the purchaser shall be entitled at his option either:- i) To recover liquidated damages as prescribed in bidding documents. ii) To purchase from elsewhere without notice to you at your risk and cost, the stores not delivered, without canceling the contract in respect of the consignment not yet due for delivery, or iii) To cancel the contract at your risk and cost. In the event of action being taken under (ii) or (iii) above, you shall be liable for any loss which the purchaser may suffer on that account, but you shall not be entitled to any gain on repurchase made against the supply order. Moreover, if the maximum limit of LD is reached the Procuring Agency may consider termination of contract. (B) If during the course of execution of Contract, you are black-listed by GENCOs/WAPDA/DISCOs/NTDC/IESCO, the purchaser may proceed with all or any of the actions detailed below:- i) To allow the contract to run its course till completed in accordance with the terms and conditions of Contract. ii) To stop further supplies with or without financial repercussions. iii) To cancel the contract with or without reservation of rights. (C) You may be blacklisted / debarred from future business with IESCO/DISCOS on the following grounds including the ones prescribed in the IESCO mechanism of blacklisting & PPRA Rules: i) Making false statements and allegations to gain undue advantage. ii) Commission of fraud. iii) Fail to perform the contractual obligations. iv) Fail to fulfill the technical provision of the Purchase Order during the execution of contract or breaches the contract. v) Fail to deliver the material as per the delivery schedule mentioned in the Purchase Order.

	vi) Commission of embezzlement, criminal breach of trust, theft, cheating, forgery, bribery, falsification or destruction of records, receiving stolen property, false use of a trademark, securing fraudulent registration, giving false evidence, furnishing of false information of serious nature. **<u>Note:-</u>** While determining liquidated damages the purchaser shall not consider any of the following circumstances, a cause under "FORCE MAJEURE" and shall not allow any relaxation in the liquidated damages on that account:- i) Delay on the part of the contractor in the arrangement of raw materials. ii) Defect or failure occurring to any machinery or equipment installed at the contractor works during the currency of the contract.

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