

Special Conditions of Contract (SCC)

The following Special Conditions of Contract (SCC) shall supplement the GCC. Whenever there is a conflict, the provisions herein shall prevail over those in the GCC. The corresponding clause number of the GCC is indicated in parentheses.

SCC Clause Number	GCC Clause Number	Amendments of, and Supplements to, Clauses in the GCC
Definitions (GCC 1)		
1.	1.1(b)	The Procuring Agency is: <i>Chief Engineer (MM) IESCO</i>
Delivery/Location (GCC 6)		
2.	6.1	Regional Store IESCO, Rawalpini
Force Majeure (GCC 14)		
3.	14.2	The right of the IESCO to terminate the Contract, or to claim penalty or to liquidated damages shall be subject to the circumstances/conditions mentioned /specified at clause 5 and 6, however as a result of all or any of the events mentioned /stated 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, the aforementioned actions will not be taken:- 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. vi) Port delays due to bunker age or lighter age. viii) Diversions of supplies by the Carrier without any fault or knowledge of the manufacturer or supplier Provided further that the Manufacturer/supplier has given notice to the IESCO within 15-days of the happening of any such event
4.	14.3	a) Extension of Time shall be considered by the Procuring Agency (PA) on following grounds: 1) If delay is beyond the control of the Supplier and it is claimed that circumstances fall under the FORCE MAJEURE clause, extension may be allowed in the delivery period without imposing penalty i.e. liquidated damages as mentioned in the contract. 2) If delay is on the part of inspector nominated by IESCO at the time of inspection call. * The supplier is bound to submit its request for extension within 15 days from the occurrence of such event. 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 GCC clause - 11.1. 2) Delay on the part of the contractor in the arrangement of raw materials. 3) Defect or failure occurring to any machinery or equipment installed at the contractor works during the currency of the contract. 4) Any other delay caused by the contractor or its person (s) without notification to purchaser. The extension in the delivery period is not allowed as a matter of routine as and when demanded by the Suppliers. Only in exceptional cases, an extension be granted in the delivery schedule as mentioned above.
Termination for Default (GCC Clause 15)		
5.	15.1	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 SCC Clause no. 6 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
Liquidated Damages (GCC Clause 22)		
6.	22.1	To recover from you liquidated damages levied at the rate of two percent (2%) per month or a fraction thereof subject to a maximum of ten percent (10%) of the Contract price only on those quantities which are undelivered during contract delivery period), except: a. Where un-delivered stores (material) hold up the use of other stores (material), liquidated damages shall be levied on the total value of the Contract. b. The recovery of liquidated damages mentioned above can be effected from any payment due to you from any unit of DISCOs or NTDC
Performance Security (or guarantee) (GCC 23)		
7.	23.1	The amount of performance security (or guarantee), as a percentage of the Purchase Order Price, shall be Five (5%) percent of the Contract Price in favor of CEO IESCO from Schedule Bank of Pakistan having rating A+ in shape of Bank Guarantee valid for 12 months or as per Manufacturer standard warranty period. Contractor will provide performance Guarantee within 07 days from the issuance of Letter of Intent
6.	23.2	The Procuring Agency will have the right to forfeit the Security Bond / Bank Guarantee (Performance Bond):- (A) If the contractor: i) Fails to supply the goods within the time specified. ii) Commits any breach of contract. iii) Fails to account for the Import License issued on account of the purchaser. iv) Fails to account for the raw material secured by the contractor against any License or permit issued on account of the PA v) Fails to return drawings, design or any material belonging to the PA, which was to be returned in good condition to the Contracting Officer after the successful termination of the contract. (B) For other reasons specified in the Purchase Order by the PA for forfeiting the security deposit. If the forfeiture of the security deposit does not compensate the contracting officer for losses suffered due to non-delivery or breach of contract or for any other reasons, the PA will have a right to forfeit other security deposits or to recover the same from any other security deposit made in favor of any other unit of DISCOs/GENCOs/NTDC/WAPDA/IESCO or from any money due

		to the Contractor from any unit of DISCOs/GENCOs/NTDC/WAPDA/IESCO.
7.	23.4	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 and will be discharged once the warranty period is over.
Prices (GCC 31)		
8.	31.1	Price shall remain fixed and firm during currency of contract.
Payment (GCC Clause 32)		
9	32.1	The method and conditions of payment to be made to the Supplier under this Contract shall be as follows: Payment for Goods supplied : 100% payment will be made by the Finance Director IESCO Islamabad, out of budget head_____ on production of following documents after necessary pre-audit: - Bill in triplicate mentioning clearly NTN No. & GST No. - Delivery Challan / GRN duly stamped and signed by the consignee (in original) - Warranty certificate - Inspection certificate issued by the IESCO Inspection Committee. - Certificate issued by the Chief Engineer (MM), IESCO Islamabad regarding acceptance of Performance Bond - Certificate from Excise & Taxation Department, certifying the fact that all payable professional taxes have been paid by the supplier. (if any) - General Sales Tax Invoice. - Custom clearance certificate (if material is purchased from abroad) Moreover, the payment of Sales Tax @ 18% shall be made on production of Sales Tax Invoice and Sales Tax return cum payment Challan along with Sale Summary. Amount of sales tax invoice must be cross-verified from sales summary filed to FBR along with sales tax return. In case you pay lump sum Sales Tax for multi goods production, you will also submit an affidavit on non-judicial paper that "the challan includes the amount of Rs. _____ of sales tax for supply of _____ against P.O No. _____ dated_____. Note:- Partial deliveries and part payments are allowed but not advance payment.
Inspections and Tests		
10.	-	Inspection of the material will be carried out at your works / premises: The supplier shall offer the raw material for inspection before commencement of manufacturing/assembly within 45 days from the issuance of PO by writing a letter to CE (MM). IESCO Inspection Committee comprising of 02 Officer inspection will carry out the inspection. Approval of raw material inspection shall not absolve the supplier from responsibility for the quality and conformity of the finished material. The supplier shall subsequently offer the completed material for final inspection 15 days before the completion of the delivery schedule as prescribed in the bidding document. Notice in writing shall have to be given to Chief Engineer (MM) IESCO Islamabad for final inspection. All the expenses including TA/DA for the inspectors will be borne by the firm. Moreover, 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 you at your expenses for carrying out Inspection 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: - The decision of the Inspecting Officer shall be binding on you. - 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. - 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		
11.		The supplier will be responsible for packing the store suitable for transit by Rail / Road so as to ensure their being free from loss or damage on arrival at destination. The packing of the stores shall be done by and at supplier's expense in accordance with the standard specifications governing such packing. In case there are no standard specifications, goods will be packed according to the trade practice to ensure safe receipt at destination.
Delivery and Documents		
12.		For Goods from within Pakistan: Upon delivery of the Goods to the transporter, the Supplier shall notify the Procuring Agency and mail the following documents to the Procuring Agency: - one original plus four copies of the Supplier's invoice showing Goods' description, quantity, unit price, and total amount; - delivery note, railway receipt, or truck receipt; - Manufacturer's or Supplier's warranty certificate - Inspection certificate issued by the local inspection committee of IESCO - 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 Consignee before arrival of the Goods and, if not received, the Supplier will be responsible for any consequent expenses.
Warranty		
13.		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 <i>12 months or as per manufacturer's standard warranty period whichever is higher with parts & labor on site</i> 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.
14.		The period for correction of defects in the warranty period is: Fifteen (15) Days.
Procedure for Dispute Resolution		
15.		i) If a dispute of any kind whatsoever arises between the Employer and the Contractor in connection with, or arising out of, the Contract or the execution of the Works, whether during the execution of the Works or after their completion and whether before or after repudiation or other termination of the Contract, including any dispute as to any opinion, instruction, determination, certificate or valuation of the Engineer, the matter in dispute shall, in the first place, be referred in writing to the Engineer, with a copy to the other party. Such reference shall state that it is made pursuant to this Clause. No later than the fifty sixth (56) day after the day on which he received such reference, the Engineer shall give notice of his decision to the Employer and the Contractor. Such decision shall state that it is made pursuant to this Clause. Unless the Contract has already been repudiated or terminated, the Contractor shall, in every case, continue to proceed with the Work with all due diligence, and the Contractor and the Employer shall give effect forthwith to every such decision of the Engineer unless and until the same shall be revised, as hereinafter provided in an amicable settlement or in an arbitral award. In any case where the conditions of Contract provide that the decision of the Engineer is to be final and conclusive, such decision shall not be referable to arbitration under this Clause nor shall the same be questioned in any other form of proceedings whatsoever. ii) If either the Employer or the Contractor be dissatisfied with a

		decision of the Engineer or if the Engineer fails to give notice of his decision on or before the fifty sixth (56) days after the day on which he received the reference, then either the Employer or the Contractor may, on or before the twenty eighth (28) day after the day on which the said period of fifty six (56) days expired, as the case may be, give notice to the other party to commence arbitration, as hereinafter provided, as to the matter in dispute. Such notice shall establish the entitlement of the party giving the same to commence arbitration, as hereinafter provided, as to such dispute and, subject to Sub Clause 16(v) no arbitration in respect thereof may be commenced unless such notice is given. If the Engineer has given notice of his decision as to a matter in dispute to the Employer and the Contractor and no notification of intention to commence arbitration as to such dispute has been given by either the Employer or the Contractor on or before the twenty eighth (28) day after the day on which the parties received notice as to such decision from the Engineer the said decision shall become final and binding upon the Employer and the Contractor. iii) Where notice of intention to commence arbitration as to a dispute has been given in accordance with Sub-Clause 16(ii) arbitration of such dispute shall not be commenced unless an attempt has first been made by the parties to settle such dispute amicably through mutual negotiation within ninety (90) days from the date of notification of Engineer's decision. iv) Any dispute in respect of which: a) the decision, if any, of the Engineer has not become final and binding pursuant to Sub-Clause 16(i) and b) amicable settlement has not been started/reached within the period stated in Sub Clause 16(iii) shall be finally settled, unless otherwise specified in the Contract, under the Rules of Pakistan Arbitration Act, 1940 (Act No.. X of 1940) and Rules made there under as amended, by one or more arbitrators appointed under such Rules. The said arbitrator(s) shall have full power to open up, review and revise any decision, opinion, instruction, determination, certificate or valuation of the Engineer for the purpose of obtaining said decision pursuant to Sub Clause 16(i). No such decision shall disqualify the Engineer from being called as a witness and giving evidence before the arbitrator(s) on any matter whatsoever relevant to the dispute. The venue of arbitration proceedings shall be the place in Pakistan as mentioned in the Preamble to Conditions of Contract. Where neither the Employer nor the Contractor has given notice of intention to commence arbitration of a dispute within the period stated in Sub Clause 16(i) or 16(ii) and the related decision has become final and binding, either party may, if the other party fails to comply with such decision, and without prejudice to any other rights it may have, refer the failure to arbitration in accordance with Sub Clause 16(iv). The provisions of Sub Clauses 16(i) to 16(ii) shall not apply to any such reference.
Notices		
16.		Procuring Agency's address for notice purposes: Chief Engineer (MM) IESCO Head office, Street No. 40, Sector G-7/4, Islamabad Supplier's address for notice purposes: _____ _____ (To be provided after signing of Contract Agreement)