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	The Procuring Agency is: Peshawar Electric Supply Company (PESCO)
2.	1.1(j)	The Supplier is: [*Name and address]*
3.	1.1(q)	The title of the subject procurement or The Project is: as specified on EPADS
4.	**2.3**	In case of any discrepancy, applicable preferences of clauses will be as under: 1. Clauses of Contract/Purchase Order 2. Clause of Letter of Intent/Notification of award 3. Clauses of Special Conditions of the bidding document 4. Clauses of Bidding Data mentioned in bidding document 5. Clauses of General Conditions of the bidding document.
	Governing Language (GCC 4)	
5.	4.1	The Governing Language shall be: English
	Applicable Law (GCC 5)	
6.	5.1	The Applicable Law shall be: Laws of the Pakistan
	Country of Origin (GCC 6)	
7.	6.1	Country of Origin is ……………………….
	Performance Security (or guarantee) (GCC 10)	
8.	10.1	The amount of performance security (or guarantee), as a percentage of the Contract Price including, shall be: Ten **(10) percent of the Contract Price including GST**
9.	10.4	After delivery and acceptance of the Goods, **10** percent of the Performance Security (or guarantee) shall be withheld to cover the Supplier's warranty obligations in accordance with **GCC Clause 18.2.**
	Inspections and Tests (GCC 11)	

10.	11	To ensure the manufacture of Goods to be in conformity with Contract requirements, the Supplier shall institute and follow regular procedures for quality assurance during manufacturing process. The Supplier shall maintain an independent quality control department which shall be responsible for enforcing the quality assurance program. Upon Award of the Contract, the Supplier and the "Engineer" (in this case PESCO/ "Engineer") shall establish mutually acceptable quality control and inspection procedure. The Engineer may require witnessing any or all the tests during manufacturing. For such purpose the Supplier shall provide free access at all times during manufacturing, assembly and testing to the premises in which the work is being carried out. The finished goods shall be subjected to the sample and routine tests as described in the Specifications. Inspection of material will be carried out at bidder's / manufacturer's works by the authorized representatives of the PESCO. A notice of at least 15- days for locally manufactured material and two months notice for material being procured / manufactured out of Pakistan, in writing shall have to be given to the Engineer by you when the stores against the order are ready for inspection

		All reasonable facilities as provided in the specifications or followed by the Industry or Trade in general shall have to be afforded to the inspecting officers, by you at your expense for carrying out inspection. The cost of performing as well as witnessing any tests by the inspectors during type test / pre-shipment foreign inspection shall be borne by the supplier if such tests are clearly intended by or provided for in the specifications as agreed between purchaser and the supplier. Witnessing of the tests will cover the expenses of two (02) Inspectors including 1st class travelling (return air tickets from Peshawar-Pakistan) to the place or places of inspections, boarding & lodging in any A class accommodation, local transportation and daily allowance as admissible by the Govt. of Pakistan to meet other expenses which will be paid prior to issuance of inspection certificate. In case the goods fail to withstand any test, the cost of repeating such test and the cost of witnessing such test by the inspectors shall be borne by the Supplier and the equipment released or modified to the satisfaction of the Purchaser without any additional cost to the Purchaser. Any inspection and/or witnessing of tests or the waiving of such tests and/or surveillance by the engineer/inspector shall not relieve the Supplier of its obligations and responsibilities under the Contract regardless of any approval or consent given by the engineer and or inspector. Two copies of all the inspection and Tests Reports and certificates including those for quality control shall be supplied to the Engineer. The reports and certificates of such tests as have been witnessed shall be countersigned by the Engineer and/or inspector.
	Packing (GCC Clause 12)	
11.	12.2	The following **SCC** shall supplement **GCC Clause 12.2**: The Goods shall be packed properly in accordance with standard export packing specified by the Procuring Agency in the Technical Specification.
	Delivery and Documents (GCC Clause 13)	

12.	13.1	**For Goods supplied from abroad:** 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 following documents 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 lading 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.) Manufacturer's 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.

12.	13.3	**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: (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.
	Insurance (GCC Clause 14)	
13.	14.1	The Insurance shall be in an amount equal to 110 percent of the applicable INCOTERM value of the Goods from "warehouse" to "warehouse" on "All Risks" basis, including War Risks and Strikes.
	Related Services (GCC Clause 16)	
14.	16.1	Related services to be provided are: *[Selected services covered under GCC Clause 16 and/or other should be specified with the desired features. The price quoted in the Bid price or agreed with the selected Supplier shall be included in the Contract Price.]*
	Spare Parts (GCC Clause 17)	

15.	17.1	Additional spare parts requirements are: 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 (GCC Clause 18)	
16.	18.2	GCC Clause 18. —In partial modification of the provisions, the warranty period shall be 24-Months from date of acceptance of the Goods or 18-months from the date of installation/commissioning whichever is earlier. The Supplier shall, in addition, comply with the performance and/or consumption guarantees specified under the Contract. If, for reasons attributable to the Supplier, these guarantees are not attained in whole or in part, the Supplier shall, at its discretion, either: (a) make such changes, modifications, and/or additions to the Goods or any part thereof as may be necessary in order to attain the contractual guarantees specified in the Contract at its own cost and expense and to carry out further performance tests in accordance with SCC 4, **Or** (b) pay liquidated damages to the Procuring Agency with respect to the failure to meet the contractual guarantees. The rate of these liquidated damages shall be 0.20 percent per day of undelivered materials/goods value up to the sum equivalent to the amount of ten percent of the contract value.
17.	**18.4 & 18.5**	The period for correction of defects in the warranty period is 15-days.
		Payment (GCC Clause 19)

18.	19.1	The payment shall be made through direct payment procedure or an irrevocable confirmed Letter of Credit to be established by Finance Director PESCO, Peshawar through any scheduled bank of Pakistan in favor of supplier in bank in his country in the following manner. Charges for opening of Letter of Credit shall be borne by the supplier **<u>For Goods and Related Services supplied from within the Purchaser's Country:</u>** a) On delivery 90% of contract price of goods shipped will be paid by PESCO from its own resources by direct payment procedure or irrevocable letter of credit issued by a scheduled bank of Pakistan, on presenting of documents mentioned below: - On Acceptance: Ten (10) percent of the Contract Price of Goods received shall be paid by PESCO from its own resources on receipt of the Goods upon submission of a claim supported by the acceptance certificate issued by the Purchaser **<u>For Goods from within the Purchaser's country as per Inco-terms FCS:-</u>** The Supplier shall submit the following documents to the Purchaser: i) Original and four (04) copies of the Supplier's invoice showing the description of the Goods, quantity, unit price, and total amount. ii) Original and four (04) copies of clean on board Bill of Entry for imported raw material as per Clause 1B.13: Currencies of Bid and Payment of Section-II: Bidding Data and Appendices &Clause 16.4 of Section-IV: Part-II: Particular Conditions of Contract. iii) Original and four (04) copies of the Delivery Note. iv) Original and four (04) copies of the Manufacturer's or Supplier's warranty certificate. v) Original and four (04) copies of the Insurance certificate. vi) Original and four (04) copies of the Inspection certificate issued by the Purchaser or its designated representative or letter of waiver, and the manufacturer's factory inspection report; and vii) Original and four (04) copies of the Certificate of origin In case of direct payment, the payment shall be made 100% by Manager (Project Financing) PMU PESCO, Office of CE (Dev) PMU PESCO, Peshawar through direct cheque in favor of the Firm on production of the following documents **<u>Documents required for Direct Cheque</u>** a) Bill in triplicate for 100% claim along with Sales Tax Invoice. b) Delivery Challan and GRN duly stamped and signed by the consignee. c) Warranty certificate & no-payment certificate. d) Inspection Certificate issued by the inspecting agency. e) Integrity – pact on prescribed Performa duly signed and stamped. f) The reimbursement of Sales Tax @ 18% shall be made by the Manager (Project Financing) PMU PESCO on presentation of copy of paid Challan. **<u>Documents required for Sales Tax</u>** a) Bill in triplicate of 100% claim for Sales Tax. b) Sales Tax returns cum payment Challan for the month of delivery of material. c) Copy of Delivery Challan and GRN duly stamped and signed by the consignee. d) Certificate to the effect that the billed amount has not been claimed or received earlier. e) Copy of Inspection Certificate issued by the inspecting agency. f) In case the manufactures who pay lump sum Sales Tax, they shall also submit an affidavit on non-judicial paper that "Challan includes the amount of Sales Tax for supply of material to PESCO against said procurement. These document shall be however, be got verified / Pre audited by Finance Director PESCO before payment by the bank
19.	19.3	Rate to be used for paying the Supplier's interest on the late payment made by Procuring Agency shall be [*insert: rate*]**.**

	Prices (GCC 20)	
20.	20.1	Prices shall not be adjusted as the contract is fixed price contract
	Liquidated Damages (GCC Clause 26)	
21.	26.1	Applicable rate: Maximum deduction: is equal to the performance guarantee ***Note:*** *0.5 per cent per week of undelivered materials/good's value.*

	Procedure for Dispute Resolution (GCC Clause 32)	
22.	32.3	**Dispute Resolution** **(a) <u>For Contracts to be entered with foreign Contractor/ Service Provider:</u>** All disputes arising in connection with the present Contract shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with said Rules. **(b) <u>For Contracts to be entered with nationals of Pakistan:</u>** 1. If any dispute of any kind whatsoever shall arise between the Procuring Agency and the Supplier in connection with or arising out of the Contract, including without prejudice to the generality of foregoing, any question regarding its existence, validity, termination and the execution of the Contract– whether during developing phase or after their completion and whether before or after the termination, abandonment or breach of the Contract – the parties shall seek to resolve any such dispute or difference by mutual diligent negotiations in good faith within 7 (seven) days following a notice sent by one Party to the other Party in this regard. 2. At future of negotiation the dispute shall be resolved through mediation and mediator shall be appointed with the mutual consent of the both parties. 3. At the event of failure of mediation to resolve the dispute relating to this contract such dispute shall finally be resolved through binding Arbitration by sole arbitrator in accordance with Arbitration Act 1940. The arbitrator shall be appointed by mutual consent of the both parties. The seat of arbitration proceedings shall be at PESHAWAR, Pakistan and parties are hereby agreeing to be bound by any final decision or award of such arbitration" Any arbitration award made in agreement shall be governed by PPRA Rule 2004"

		4. The cost of the mediation and arbitration shall be shared by the parties in equal proportion however the both parties shall bear their own costs and lawyer's fees regarding their own participation in the mediation and arbitration. However, the Arbitrator may make an award of costs upon the conclusion of the arbitration making any party to the dispute liable to pay the costs of another party to the dispute. 5. Arbitration proceedings as mentioned in the above clause regarding resolution of disputes may be 6. commenced prior to, during or after delivery of goods. 7. Notwithstanding any reference to the arbitration herein, the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree that the Procuring Agency shall pay the Supplier any monies due to the Supplier. 8. The Parties agree that this agreement and any subsequent agreement(s) shall be governed by, applied to, interpreted and construed in accordance with the laws of the Islamic Republic of Pakistan" 9. In relation to any legal action or proceedings arising out of or in connection with this agreement, the parties irrevocably submit to the exclusive jurisdiction of the competent courts of law at Peshawar Pakistan"
	Notices (GCC Clause 35)	
23.	35.1	— Procuring Agency's address for notice purposes: Chief Engineer (Development) PMU PESCO, PESCO H/Q Shami Road Peshawar —Supplier's address for notice purposes: