Special Conditions of Contract (SCC)

The following Special Conditions of Contract (SCC)

SCC Clause Number	Amendments of, and Supplements to, Clauses
Definitions	
1.	The Procuring Agency is: Sukkur Electric Supply Company (SEPCO)
Documents forming the Contract	
2.	(1) Purchase Order (PO) (2) Performance Guarantee submitted by the successful Firm and its verification from the concerned Bank. (3) Letter of Intent (LOI) issued by SEPCO and its acceptance by the successful bidder (4) Special Conditions of Contract, (5) General Conditions of Contract, (6) Specifications (7) Contractor's Bid on EPADS (8) Bidding Document and Notice inviting to Bids (9) Addendum (if any)
Conditions Precedent	
3.	Having signed the contract it shall come into effect on the date of its issuance.
Governing Language	
4.	The Governing Language shall be English
Applicable Law	
5.	The Applicable Law shall be: Laws of the Government of Pakistan and PPRA rules.
Performance Security (or Guarantee)	
6.	The amount of performance security (or guarantee), as a percentage of the Contract Price, shall be: 5% of the total bid price (including GST) **Time period of validity: shall be 12 months from the date of completion of supply**.
7.	The Performance Security/Guarantee shall be in PKR issued in favour of Chief Executive Officer (CEO) SEPCO and it shall be in the form as the per following: a. A bank guarantee issued by a scheduled bank of Pakistan in the form provided in the Bidding Documents. b. Call Deposit Receipt (CDR) **Note:** The performance security from any insurance company will not be acceptable in any case and the bid shall be liable for rejection.
	After delivery and acceptance of the Goods, the Performance Security (or guarantee) shall be withheld to cover the Supplier's obligations in accordance with the SSC clause 14 & 15 (Warranty GCC-18). The Performance Security (or guarantee) shall be extended by the firm in case any defect or replacement of material is claimed until the expiry/extended warranty period.
Inspections and Tests:	

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8. Inspection and tests prior to shipment of Goods and at final acceptance are as follows:

A. 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 himself 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.

B. The joint inspection shall be carried out jointly at Supplier's premises by Chief Engineer (MI) PPMC Lahore or his authorized representative & Manager (IT) SEPCO Sukkur.

Notice in writing shall have to be given to the inspection officer by the supplier when the store against the order is ready for inspection under intimation to this office. All reasonable facilities including TA / DA, Residence, Food, Pick & Drop & Daily Allowance etc as provided in the specifications or followed by the industry or trade in general shall have to be offered to the inspecting officer by the supplier's expense for carrying out inspection.

You will deposit Inspection fee @ 0.5% of the cost of offered material in favour of Chief Engineer (MI) PPMC Lahore alongwith Inspection call.

C. Stage inspection may be carried out, if necessary.

All reasonable facilities as provided in the specification or followed by the industry or trade, in general, shall have to be accorded to the inspecting officers at your expense for carrying out the inspection.

D. The Inspecting Officer may reject a part or the whole of the consignment tendered for inspection, if after inspection, such portion thereof as he may decide, on his discretion, he is satisfied that the consignment is below the requirements of the particulars governing the supply given in the Purchase Order.

E. The decision of the Inspecting Officer shall be binding on the supplier.

If the stores are rejected as aforesaid, then without prejudice to the right of the Purchaser, the supplier may submit stores in replacement of those rejected but resubmission will not mean the extension of the delivery period.

On final rejection, the purchaser shall have the following rights:

a. To purchase the rejected goods at the supplier's cost and expense.
b. To terminate the contract/PO and recover from the supplier the loss the Company, thereby incurs.
c. To take action as per PPRA Rules.

F. SEPCO reserves the right to re-inspect, re-test (at its own expense) and, where necessary, reject the Goods after the arrival at the final destination. This shall in no way be limited to or eased because of the Goods having previously been inspected, tested and passed by SEPCO or its representative prior to the Goods' shipment. The decision of SEPCO based on the reports of re-inspection and/or re-testing shall be binding on the manufacturer/supplier.

G. VISUAL INSPECTION:

Visual Inspection shall be carried out by SEPCO Material Inspection Committee and will highlight and communicate any defect found at time of visual inspection to this office as well as to the supplier. The concerned Deputy Manager Regional Store SEPCO shall be issued GRN after issuance of Verification Certificate in accordance with Material Quality and as per Specification / Standard by SEPCO Material Inspection Committee.

Packaging

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09.	The Goods shall be packed properly in accordance with standard export packing specified by the Procuring Agency in the Technical Specification. a. The word "Sukkur Electric Supply Company" or SEPCO with PO No. & year of manufacturing together with other essential markings as per the Specification shall be provided. b. The printed electricity bills shall be packed in strong, moisture-resistant corrugated cartons. Each carton/box shall contain 2,000 sheets, with two (02) printed bills on each sheet, totaling 4,000 printed bills per box. The packing shall ensure safe handling, transportation, and storage without damage.

Delivery and Documents

10.	The Goods shall be supplied on FCS (Free Consignee Stores) at Regional Stores SEPCO ROHRI & LARKANA basis. The unloading of the goods shall be the responsibility of the Supplier.
11.	Upon delivery of the Goods, the Supplier shall notify SEPCO and mail the following documents to SEPCO: 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. Certificate to the effect that the prime material has been used in the manufacturing of Goods, and if any evidence of used/scrap material is found at a later stage the supplied Goods shall be replaced free of cost with the Goods having prime material. Also, if any manufacturing, design and/or inherent fault is detected at later stage the faulty Goods shall be replaced with Healthy Goods. The inspection procedure for the replaced goods shall be same as per the inspection requirement in the Technical Specifications and the Contract. v. inspection certificate issued by the nominated inspection agency, and the Supplier's factory inspection/test report; and vi. 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 SEPCO before the arrival of the Goods and, if not received, the Supplier will be responsible for any consequent expenses.

Insurance

12.	The Insurance shall be in an amount equal to 110 percent of the FCS value of the Goods from "warehouse" to "warehouse" on "All Risks" basis, including War Risks and Strikes.

Warranty

13.	**The warranty period**: Warranty and packing of the offered material shall govern as per above mentioned standard specification. Successful bidder / supplier will furnish a Warranty Certificate, certifying that the goods supplied conform exactly to the Specifications laid down in the contract and brand new and in the event of the material being found defective or not conforming to the Specifications / Particulars governing supply at the time of delivery or become defective and for a period of (12) Months from the completion of supply. Supplier will be held responsible for all losses and that the unacceptable goods shall be substituted with the acceptable goods at his expense and cost of supplier.

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15.	Upon receipt of notice for correction of defects under the warranty period the manufacturer/supplier shall, within 45 days (or the period specified in Specification) and with all reasonable speed, repair or replace the defective Goods or parts thereof. The cost of lifting the defective Goods its subsequent repair or replacement and returning back to SEPCO stores shall be borne by the supplier. If the supplied Goods or its part(s) is/are damaged during the warranty period and require repair, the warranty shall remain protected. The warranty period will be considered suspended from the date of intimation of defective goods to the manufacturer/supplier and will resume once the defect is rectified and the goods are returned to SEPCO stores. For Example: An item has a warranty period of **12 months.** Its warranty starts on 1st January and it becomes defective after successful use/commissioning after 3 months on 5th April. The manufacturer/supplier is intimated about the defect on 7th April. The remaining warranty is 8 months and 23 days. This remaining warranty period shall remain reserved. The item is lifted for repair on 15th April and returned to SEPCO stores on 7th May. The remaining warranty of 8 months and 23 days will resume from 7th May. If the Goods under warranty period already repaired are damaged again (second time) the procedure mentioned for the first time damage shall be followed. Accordingly, the same procedure shall be followed for damage/defect for the third time. However, if the goods under warranty period are damaged for the third time the manufacturer/supplier shall be issued a Performance Certificate that will have an impact on its participation in future bids/tenders in SEPCO. The warranty period of the entirely replaced item shall be as per the initial warranty period of new goods. ***NOTE: Liquidated Damages shall be applicable where there is a delay in delivery of material under the warranty claim. Liquidated Damages shall be applicable as per SCC clause 20*.**

Payment:

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16.	The payment will be made directly by the Chief Financial Officer / FD Finance Director SEPCO Sukkur within (30) days on the presentation of the following documents: i. Invoice of the supplied material in triplicate. ii. Delivery Challan duly acknowledged and signed by the consignee. iii. GRN issued by concerned Deputy Manager, Regional Store SEPCO Concerned and Countersign by Manager MM SEPCO Sukkur. iv. Warranty Certificate. v. Inspection Certificate issued by Chief Engineer, (MI) PPMC or his authorized representative. vi. Confirmation letter of acceptance of performance Bond/Security by the Manager (MM) SEPCO. vii. Confirmation letter by the Manager (MM) SEPCO against each invoice claim regarding the adequacy of the validity of the Performance guarantee with respect to supplies / delivery. viii. Certificate to the effect that the billed amount has not been claimed or received earlier (Non-payment certificate). ix. Professional Tax paid certificate by the firm. x. All Federal & Provincial Taxes will be applied as per prevailing laws. xi. Copy of General Sales Tax/Excise Duty Invoice. xii. The manufacturer/supplier in its invoices shall also give an undertaking, in case of omission of any deductible amount; SEPCO's claim at any later stage (through pre-audit / post audit) shall be acceptable to them. xiii. As per directions of FBR dated. 3.9.2015 conveyed vide C.E (Operation) PEPCO vide letter No. 1918-28 dated. 17.09.2015, the payment to the registered persons may be linked with the active taxpayer status of the suppliers as per FBR database. If any registered supplier is not in ATL his payment should be stopped till he files his mandatory returns and appears on ATL of FBR. ***PARTIAL DELIVERIES AND PARTIAL PAYMENTS ARE ALLOWED.*** The amount of 18% sales tax will be reimbursed by the Chief Financial Officer/FD Finance Director SEPCO Sukkur as under: i. Sales Tax return cum payment Challan for the month of delivery of material. ii. Copy of GRN duly stamped and signed by the respective consignees. iii. Sales Tax Invoice as per GRN above. iv. Any increase/decrease in the existing tariff of custom duty/Sales tax or any other tax is imposed or charged by the Government of Pakistan/Provincial Government, the same will be adjusted by the Chief Financial Officer/FD Finance Director, SEPCO Limited, Sukkur on presentation of documentary evidence. In case the manufactures who pay lump-sum Sales Tax, they shall also submit an affidavit on non-judicial paper separately that "Challan includes the amount of Rs.___________of Sales Tax for supply of material to SEPCO against P.O. No._______ dated._________
17.	All payments shall be made in PKR

Prices

18.	Prices shall not be adjusted. The offered price shall be firm and final.

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Liquidated Damages

19.	If the supplier fails to deliver the Goods or any consignment thereof within the specified delivery period, the purchaser shall be entitled at his option, either: a) To recover from the supplier 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 PO/contract price, except: • Where un-delivered stores hold up the use of other stores, liquidated damages shall be levied on the total value of the contract/PO. • The recovery of liquidated damages mentioned above can be effected from any payment due to the supplier from any unit of SEPCO Or b) To purchase from elsewhere, without notice to the supplier, at the supplier's risk and cost, the stores not delivered, without canceling the contract/PO in respect of the consignment not yet due for delivery Or c) To cancel the contract/PO at the supplier's risk and cost. In the event of action being taken under (b) or (c) above, the supplier shall be liable for any loss which the purchaser may suffer on the account, but the supplier shall not be entitled to any gain on repurchase made against the supply order.

Procedure for Dispute Resolution

21.	As per the Laws of Government of Pakistan.

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22.	**(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 SEPCO 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 Arbitrator shall be appointed by mutual consent of both parties, after consultation between the contractor & procuring agency to act as the adjudicator in case of any arisen disputes in accordance with **BDS Clause 48.** 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 Arbitration shall take place in SEPCO Sukkur and proceedings will be conducted in English language. 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 commenced prior to, during or after delivery of goods. Notwithstanding any reference to the arbitration herein, the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree that SEPCO shall pay the Supplier any monies due to the Supplier. **Furthermore, the supplier agrees that the territorial jurisdiction of the litigation shall be Sukkur District. No court other than Sukkur District will entertain any judicial matter in respect thereto.**
23. GRC PROCEDURE:	
	Any party can file its written complaint against the eligibility parameters or any other terms and conditions prescribed in the prequalification or bidding documents found contrary to provision of Procurement Regulatory Framework, and the same shall be addressed by the GRC well before the bid submission deadline.
	Any Bidder feeling aggrieved by any act of The Procuring Agency after the submission of his bid may lodge a written complaint concerning his grievances not later than seven days of the announcement of technical evaluation report and five days after issuance of final evaluation report.
	In case, the complaint is filed against the technical evaluation report, the GRC shall suspend the procurement proceedings.
	In case, the complaint is filed after the issuance of the final evaluation report, the complainant cannot raise any objection on technical evaluation of the report: Provided that the complainant may raise the objection on any part of the final evaluation report in case where single stage one envelop bidding procedure is adopted.
	The GRC, in both the cases shall investigate and decide upon the complaint within ten days of its receipt.

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	Any bidder or The Procuring Agency not satisfied with the decision of the GRC may file Appeal before the Appellate Committee of the Authority on prescribed format after depositing the prescribed fee.
	The Committee, upon receipt of the Appeal against the decision of the GRC complete in all respect shall serve notices in writing upon all the parties to Appeal.
	The committee shall call the record from the concerned The Procuring Agency or the GRC as the case may be, and the same shall be provided within prescribed time.
	The committee may after examination of the relevant record and hearing all the concerned parties, shall decide the complaint within fifteen (15) days of receipt of the Appeal.
	The decision of the Committee shall be in writing and shall be signed by the Head and each Member of the Committee. The decision of the committee shall be final.
	1. Grievance Redressal Committee (GRC): A Grievance Redressal Committee (GRC) has been constituted for by the SEPCO Management to address and Redressal of complaints of participated bidders in SEPCO **Tenders. The composition of the GRC is as follows:** **Convener: Chief Operating Officer/Operational Director SEPCO Sukkur** **Member: Manager Legal, HQ, SEPCO, Sukkur** **Member: Manager Corporate Account O/O Finance Director, SEPCO, Sukkur** 2. Address for Submission of Complaints: All complaints must be submitted in writing to the Convener, GRC, at the following address: Grievance Redressal Committee (GRC) Office Of The Chief Executive Officer Old Thermal Power House SEPCO, Old Sukkur.
	Any Bidder Or Party not satisfied with the decision of the SEPCO GRC, may file an appeal before the PPRA Authority with in thirty (30) days of communication of the decision subject to depositing the prescribe fee and in accordance to the procedure issued by the authority. The decision of the PPRA authority shall be considered as final. The Address of PPRA to submit a **copy** of grievance: Grievance Redressal Appellate Committee, Public Procurement Regulatory Authority 1st Floor, G-5/2, Islamabad, Pakistan Tel: +92-51-9202254

Notices

24.	**The address of the Procuring Agency:** Manager Material Management, Sukkur Electric Power Company (SEPCO) Regional Head Quarter, Old Thermal Power Station Sukkur Pakistan Direct: +92-719310798, P.N: +92-719310796 Email: arif.bhutto@sepco.com.pk Email: managermmsepco@gmail.com

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