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DRUK HOLDING & INVESTMENTS LTD.

GROUP STANDARD BIDDING DOCUMENT

GOODS (ITB)

BPC

dhi Company

Procurement Division
Thimphu, Bhutan
Bhutan Power Corporations Limited

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BIDDING PROCEDURE

SECTION I. INSTRUCTIONS TO BIDDERS (ITB)

A. General

1. Scope of Supply

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

1.2. Throughout this Bidding Document:

a) the term "in writing" means communicated in written form (e.g. by mail electronic mail) with proof of receipt;
b) if the context so requires, "singular" means plural" and vice versa; and
c) "day" means calendar day.

2. Fraud and Corruption

2.1. As per the RGoB policy, Purchasers requires that the Bidders and Suppliers observe the highest standards of ethics during the procurement and execution of contracts. The terms "Corrupt Practice", "Fraudulent practice": "Collusive practice", "Coercive practice" "Obstructive practice" shall be as per the definition in GCC 4.2. In pursuance of this policy, the Purchaser:

a) 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;

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

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c) will have the right to require that a provision be included in Bidding Documents and in contracts, requiring Bidders, Suppliers and their Subcontractors to permit the Purchaser, any organization or person appointed by the Purchaser to inspect their accounts and records and other documents relating to their Bid submission and contract performance and to have them audited by auditors appointed by the Purchaser;

d) requires that Bidders, as a condition of admission to eligibility, execute and attach to their bids an Integrity Pact Statement in the form provided in Section III, Bidding Forms. Failure to provide a duly executed Integrity Pact Statement may result in disqualification of the Bid; and

e) will report any case of corrupt, fraudulent, collusive, coercive or obstructive practice to the relevant RGoB agencies, including but not limited to the Anti-corruption Commission (ACC) of Bhutan, for necessary action in accordance with the statutes and provisions of the relevant agency.

2.2. Furthermore, Bidders shall be aware of the provision stated in GCC 37.1i.a.iii.

3. Eligible Bidders

3.1. A Bidder, and all parties constituting the Bidder, may have the nationality of any country, subject to the restrictions specified in ITB. 4.1 a & b. 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.

3.2. A Bidder shall not have a conflict of interest. All Bidders found to have a 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 they:

a) are associated, or have been associated in the past, with a firm or any of its affiliates which has been engaged by the Purchaser to provide consulting services for the preparation of the design, specifications and/or other documents to be used for the procurement of the Goods and related Service to be purchased pursuant to these Bidding Documents, or

b) submit more than one Bid in this bidding process, except for alternative offers permitted under ITB Clause 15. However, this does not limit the participation of subcontractors in more than one Bid.

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c) employ or otherwise engage, either directly or through any of their affiliates, dependent or close relative of the Purchaser employee or has an authority over it. For the purposes of this Sub-Clause, a close relative is defined as immediate family which includes father, mother, brother, sister, spouse and own children.

3.3. Government-owned enterprises in Bhutan shall be eligible only if they can establish that they:

a) are legally and financially autonomous;
b) operate under commercial law; and
c) are not a dependent agency (directly or indirectly) of the Purchaser.

3.4. A Bidder that is under a declaration of ineligibility pursuant to ITB Sub-Clause 2.1c) shall not be eligible to participate in this bidding process in any capacity.

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

4. Exclusion of Bidders

4.1. A Bidder shall be excluded from participating in this bidding process under the following circumstances:

a) as a matter of law or official regulation, RGoB prohibits commercial relations with the country in which the Bidder is constituted, incorporated or registered; 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. RGoB prohibits any import of Goods or contracting of Services from the Country in which the Bidder is constituted, incorporated or registered or any payments to persons or entities in that country; or

c) Bidder is insolvent or is in receivership or is a bankrupt or is in the process of being wound up; or has entered into an arrangement with creditors; or

d) Bidder's affairs are being administered by a court, judicial officer or appointed liquidator; or



e) Bidder has suspended business or is in any analogous situation arising from similar procedures under the laws and regulations of his country of establishment; or

f) Bidder has been found guilty of professional misconduct by a recognized tribunal or professional body; or

g) Bidder has not fulfilled his obligations with regard to the payment of taxes, or other payments due in accordance with the laws of the country in which he is established or of the Kingdom of Bhutan; or

h) Bidder is guilty of serious misrepresentation in supplying information in this tender; or

i) Bidder has been convicted for fraud and/or corruption by a competent authority; or

j) Bidder has not fulfilled any of his contractual obligations with the Purchaser in the past based on the Vendor Performance Management System (VPMS).

k) Bidder has been debarred from participation in public procurement by any competent authority as per law.

5. Eligible Goods and Related Services

5.1. All the Goods and Related Services to be supplied under the Contract may have their origin in any country, in accordance to ITB. 4.1.1 (a & b).

5.2. For the purposes of this Clause, the term "Goods" includes commodities, raw material, machinery, equipment and industrial plants; and "Related Services" includes services such as insurance, supervision, installation, training, and initial maintenance.

5.3. The term "origin" means the country 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 components.

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B. Contents of Bidding Document

6. Parts of Bidding Document

6.1. The Bidding Document consist of Bidding Procedure and Contracts which include all the Sections indicated below, and should be read in conjunction with any Addenda issued in accordance with ITB Clause 9.

Section : I	Instructions to Bidders (ITB)
Section : II	Bid Data Sheet (BDS)
Section : III	Bidding Forms
Section : IV	General Conditions of Contract (GCC)
Section : V	Special Conditions of Contract (SCC)
Section : VI	Contract Forms

7. General Information

7.1. The Invitation for Bids issued by the Purchaser is not part of the Bidding Document.

7.2. The Purchaser is not responsible for the completeness of the Bidding Document and their addenda, if any, if these were not obtained directly from the Purchaser.

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

8. Clarification of Bidding Document

8.1. Bidders shall not be allowed to seek any clarification of the Bidding Documents in person or by telephone or other verbal means.

8.2. A prospective Bidder requiring any clarification of the Bidding Documents shall notify the same to the Purchaser in writing at the Purchaser's address specified in the BDS.

8.3. The Purchaser shall respond in writing to any such request for clarification, provided that it is received no later than the date and time specified in the BDS.



8.4. Copies of the Purchaser's response shall be uploaded in the Purchaser's or relevant website including a description of the enquiry without disclosing the name of the Bidder(s) seeking clarification. 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 9 and ITB Sub-Clause 26.2.

8.5. A pre-bid meeting shall be conducted only, if necessary, to clarify doubts and concerns of the Bidders prior to submission of Bids. The Bidders shall be invited to attend pre-bid meeting to be held on the date, time and location specified in BDS.

8.6. Non-attendance at the pre-bid meeting will not be a cause for disqualification of Bidders but at the same time shall not entitle them to raise any query at a later date.

8.7. The Bidders are requested to submit their questions and queries in writing not later than one week before the meeting. Clarifications to the queries raised in the pre-bid meeting, including the text of the questions raised without identifying the source, and the responses given together with any responses prepared after the meeting, shall be circulated to all Bidders and also uploaded on the Purchaser's website.

8.8. Any modification to the Bidding Documents that may become necessary as a result of the pre-bid meeting shall be made by the Purchaser through the issue of an addendum and not through the clarifications to the queries of pre-bid meeting.

9. Amendment of Bidding Documents

9.1. At any time prior to the deadline for submission of Bids, the Purchaser may amend the Bidding Documents by issuing an addendum. This may be done either on the Purchaser's own initiative or in response to a clarification request from a prospective Bidder.

9.2. Any addendum thus issued shall be part of the Bidding Documents and shall be uploaded in the Purchaser's website and or relevant website such addendum shall be binding on the prospective Bidders.

9.3. The Purchaser may, at its discretion, extend the deadline for submission of Bids pursuant to ITB Sub-Clause 26.2 to allow prospective Bidders reasonable time in which to take the addendum into account in preparation of their Bids.

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9.4. It will be the responsibility of such Bidders to regularly visit the website for any addendum to the Bidding Documents until the last date of bid submission. The Purchaser shall in no way be responsible for any ignorance of the Bidder about the addendum to the Bidding Documents.

C. Preparation of Bid

10. Cost of Bidding

10.1. 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.

11. Language of Bid

11.1. The Bid, as well as all correspondence and documents related to the Bid exchanged by the Bidder and the Purchaser, shall be in English. Supporting documents and printed literature that are part of the Bid shall be in English and if in any other language, should be translated to English and shall be notarised. The English translation shall prevail on the interpretation.

12. Documents comprising the Bid

12.1. The Bid shall comprise the following:

a) Bid Submission Forms and Price Schedules in accordance with ITB Clauses 13 &14;

b) Bid Security, in accordance with ITB Clause 23;

c) Written confirmation authorizing the signatory of the Bid to commit the Bidder, in accordance with ITB Clause 24;

d) Documentary evidence in accordance with ITB Clauses 20 that the Goods and Related Services conform to the Bidding Documents;

e) Documentary evidence in accordance with ITB Clause 21 establishing the qualification of the Bidders;

f) Alternative Bids, if permissible, in accordance with ITB Clause 15;

g) Integrity Pact Statement, in accordance with ITB Sub-Clause 2.1;

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h) Deviation sheet in accordance with the Bidding Form: IV; and

i) Relevant Bidding forms

j) Any other documents required in the BDS.

13. Submission of Bid

13.1. The Bidder shall submit the Bid Submission Form using the form furnished in Section III. This form must be completed without any alterations to its format, and no substitutes shall be accepted. All blank spaces shall be filled in with the information requested.

13.2. A bid in which the Bid Submission Form is not duly filled, signed and sealed by the Bidder shall be rejected.

14. Price Schedule

14.1. The Bidder shall submit the Price Schedules for Goods and Related Services according to their origin as appropriate, using the forms furnished in Section III, Bidding Forms.

15. Alternative Bids

15.1. Unless otherwise indicated in the BDS alternative Bids shall not be considered.

16. Bid Prices and Discounts

16.1. 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:

a) all lots and items must be listed and priced separately in the Price Schedules;

b) the price to be quoted in the Bid Submission Form shall be the total price of the Bid excluding any discounts offered; and

c) the Bidder shall quote any unconditional discounts and the methodology for their application in the Bid Submission Form.

16.2. The terms EXW, CIF, CIP, DDP and other similar terms shall be governed by the rules prescribed in the current edition of Incoterms, published by the International Chamber of Commerce pursuant to GCC sub-clause 3.5

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16.3. Unless otherwise stated in the BDS, Prices shall be quoted inclusive of all applicable taxes and levies, transportation, handling costs and any other associated cost to fulfil the contractual obligations, as specified in the Price Schedule forms for Goods and Related Services included in Section III, Bidding Forms.

a) For Goods manufactured in Bhutan:

(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) any Bhutan sales and other taxes which will be payable on the Goods if the contract is awarded to the Bidder;

(iii) the price for inland transportation, insurance and other local services required to deliver the Goods to their final destination specified in the BDS; and

(iv) the total price for the item.

b) For Goods manufactured outside Bhutan

(i) The price of Goods, quoted CIF/CIP/DDP/any other, place of Entry in Bhutan, as specified in BDS;

(ii) Custom Duties and any other taxes which will be payable on the Goods in Bhutan, if specified in BDS;

(iii) The Cost of inland transportation, insurance and other local costs incidental to delivery of the Goods from the Port of entry to their final destination, if specified in BDS; and

(vi) the total price for the item

(c) for Related Services, other than inland transportation and other services required to convey the Goods to their final destination, whenever such Related Services are specified in the *Schedule of Supply*, the price of each item comprising the Related Services (inclusive of any applicable taxes).

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16.4. Bidders wishing to offer any price reduction (discount) for the award of more than one Contract shall specify in their Bid the price reductions applicable to each package, or alternatively, to individual Contracts within the package. Price reductions or discounts shall be submitted in accordance with ITB Sub-Clause 16.1, provided the Bids for all lots are submitted and opened at the same time.

16.5. If so, indicated in ITB Sub-Clause 16.1, Bids are being invited for individual items, lots or packages as indicated in the BDS, unless otherwise indicated in the BDS, prices quoted shall correspond to one hundred percent (100%) of the items specified for each lot and to one hundred percent (100%) of the quantities for each item of a lot. Bidders wishing to offer any price reduction (discount) for the award of more than one Contract shall specify in their Bid the price reductions applicable to each package, or alternatively, to individual Contracts within the package. Price reductions or discounts shall be submitted in accordance with ITB Sub- Clause 16.1, provided the Bids for all lots are submitted and opened at the same time.

17. Vendor Performance Management System

17.1. The performance of the vendor shall be assessed as per the Vendor Performance Management System (VPMS) available in the Purchaser's website and relevant website for the purpose of assessing the performance of the supplier.

18. Price Variation

18.1. 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 35 unless adjustable price quotations are permitted by the BDS. 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.

19. Currencies of Bid

19.1. The unit rates and prices required to be quoted by the Bidder shall be as per the currencies specified in the BDS.

19.2. The reference exchange rate (selling rate) prevailing on the day of Bid opening or the immediate preceding date as posted by the Royal Monetary Authority of the Kingdom of Bhutan shall be used for conversion of prices.

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19.3. Bid prices shall be evaluated in accordance to ITB 38. The payments shall be made in the currency of the bid and any banking charges related to payment shall be borne by the Suppliers.

20. Documents Establishing the Conformity of the Goods and Related Services

20.1. To establish the conformity of the Goods and Related Services to the Bidding Document, the Bidder shall furnish as part of its Bid documentary evidence that the Goods conform to the technical specifications and standards.

20.2. 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 specifications and, if applicable, a statement of deviations and exceptions to the provisions of the Schedule of Supply must be clearly indicated in the deviation schedule under Section III, Bidding Form.

20.3. 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.

20.4. 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 Supply, 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 equivalence or are superior to those specified in the Schedule of Supply with exception in certain Bulk items, Strategic Critical and Strategic Security items category.

20.5. In order to prove that the Goods offered are of acceptable quality and standard, the Bidders shall furnish the documentary evidence that the Goods offered have been in production and all relevant catalogues, test certificates, ISO certificates, list of previous clients, list of past performance certificate from the user and Purchaser or manufacturer profile for all new brands are submitted.

21. Documents Establishing the Qualification of Bidders

21.1. The Bidder shall have the minimum level of financial capacity if so, specified in the BDS to qualify for supply of Goods and Related Services under the Contract.

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21.2. The Bidder shall have following technical capacity and minimum level of experience to qualify for supply of Goods and Related Services under the Contract:

a) the minimum number of years of experience in the supply of Goods and Related Services if so, specified in the BDS;

b) specific experience in the Supply of similar Goods and related service if so, specified in the BDS; and

c) minimum production capacity or availability of equipment if so, specified in the BDS.

21.3. 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 by 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 III, Bidding Forms to demonstrate that it has been duly authorized by the manufacturer or producer of the Goods to supply these Goods in Bhutan;

b) that, if required in the BDS, in the case of a Bidder not doing business within Bhutan, the Bidder is or will be (if awarded the Contract) represented by an agent/dealer in Bhutan 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;

c) that, if permitted in the BDS, Bids submitted by a Joint Venture/Consortium (JV/C) of two or more firms as partners comply with the following requirements:

(i) the Bid is signed so as to be legally binding on all partners;

(ii) all partners shall be jointly and severally liable for the execution of the Contract in accordance with the Contract terms;

(iii) one of the partners is nominated as the lead partner of the JV/C, authorized to incur liabilities, and to receive instructions for and on behalf of any and all partners of the JV/C;

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(iv) the execution of the entire Contract, including payment, shall be done exclusively with the lead partner; and

(v) a copy of the JV/C Agreement entered into by the partners is submitted with the Bid; or a Letter of Intent to execute a JV/C Agreement in the event of a successful Bid is signed by all partners and submitted with the Bid, together with a copy of the proposed Agreement.

22. Period of Validity of Bids

22.1. Bids shall remain valid for the period specified in the BDS from the Bid submission deadline prescribed by the Purchaser. A Bid valid for a shorter period and inadequate value shall be rejected by the Purchaser as non-responsive.

22.2. In exceptional circumstances, prior to expiry 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. The Bid Security shall also be extended for a corresponding period. A Bidder may refuse the request to extend the validity of its Bid 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 22.3.

22.3. The provisions of the ITB 23 regarding the forfeiture and discharge of Bid Security shall continue to apply during the extended period of Bid Validity.

23. Bid Security

23.1. The Bidder shall furnish, as part of its Bid, a Bid Security in original form, denominated in currency and in the amount specified in the BDS.

23.2. The Bid Security shall at the Bidder's option, be in any of the following forms:

(i) an Unconditional Bank Guarantee (in accordance with the form included in Section IV, Bidding Forms); or
(ii) a Banker's Certified Cheque/Cash Warrant or
(iii) a Demand Draft;
(iv) Cash deposit through Bank Transfer, in case of exceptional circumstance where the submission of bid security by the above form are not possible.

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23.3. The Bid security shall be issued by a reputable financial institution enforceable in any Banks in Bhutan.

23.4. Bid Security shall be submitted in its original form and copies shall not be accepted.

23.5. Bid Security shall remain valid for a period of thirty (30) days beyond the end of the validity period of the Bid, as extended, if applicable. Accordingly, the Bid Security shall remain valid till the date specified in the BDS.

23.6. Any Bid not accompanied by a valid Bid Security shall be rejected by the Purchaser as non-responsive.

23.7. The Bid Securities of unsuccessful Bidders shall be returned as promptly as possible upon the successful Bidder furnishing the Performance Security pursuant to ITB Clause 46. In case of single stage-two envelope and two stage mode of tendering, Bid Security of non-responsive Bidders shall be returned immediately after technical evaluation.

23.8. The Bid Security shall be forfeited:

a) if a Bidder withdraws its Bid during the period of Bid validity except as provided in ITB Sub-Clause 22.2; or

b) if the successful Bidder fails to:

(i) sign the Contract in accordance with ITB Clause 44;

(ii) furnish a Performance Security in accordance with ITB Clause 45; or

(iii) Accept the correction of its Bid Price pursuant to ITB Sub-Clause 35.4.

23.9. The Bid Security of a JV/C must be in the name of the JV/C that submits the Bid.

24. Format and Signing of Bid

24.1. The Bidder shall prepare ONE Original document comprising the Bid as described in ITB Clause 12 and clearly mark it "ORIGINAL." 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.

24.2. 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.

24.3. Any interlineations, erasures or overwriting shall be valid only if they are signed or initialled by the authorized person signing the Bid.

D. Submission and Opening of Bids

25. Submission, Sealing and Marking of Bids

25.1. Bids shall be delivered by hand, courier, registered post or electronic means. The Bidder shall seal the original of the Bid and the number of copies stipulated in the BDS, in separate inner envelopes contained within one outer envelope. All envelopes shall be sealed with adhesive or other sealant to prevent reopening.

25.2. The outer Envelope shall:

a) be marked "CONFIDENTIAL";
b) be addressed to the Purchaser provided in the BDS;
c) bear the Tender name and number; and
d) provide a warning not to open before the time and date for Bid Opening.

25.3. Single-Stage Two Envelope Process:

a) The inner Envelope - I shall contain:

(i) technical bids and be signed across their seals by the person authorized to sign the Bid on behalf of the Bidder; and
(ii) be marked "ORIGINAL", "ALTERNATIVE" (if permitted) and "COPY".

b) The inner envelope - II shall contain:

(i) financial bids and be signed across their seals by the person authorized to sign Bid on behalf of the Bidder; and

(ii) be marked "ORIGINAL", "ALTERNATIVE" (if permitted) and "COPY".

25.4. Where Bids are invited under the single stage single envelope, both technical and financial bid shall be in one envelope.

25.5. In addition to the identification required in ITB Sub-Clause 25.2, the inner envelopes shall indicate the name and address of the Bidder, to enable the Bid to be returned unopened in case it is declared late pursuant to ITB Clause 27.

25.6. If the outer envelope is not sealed and marked as above, the Purchaser shall assume no responsibility for the misplacement or premature opening of the Bid.

25.7. In the Two-Stage Process, Bidders shall be advised to submit only the technical bids in the first stage. In the second stage, Bidders shall be requested to submit

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both their technical bids as modified and agreed with the Purchaser and the financial bids based on the modified technical bids simultaneously in two separate sealed envelopes.

25.8. When so specified in the BDS Bidders shall have the option of submitting their Bids electronically. Bidders submitting Bids electronically shall follow the procedures specified in the BDS.

26. Deadline for Submission of Bids

26.1. Bids shall be delivered by hand, courier, registered post or electronic means to the Purchaser at the address and no later than the date and time indicated in the BDS.

26.2. The Purchaser may, at its discretion, extend the deadline for the submission of Bids by amending the Bidding Documents in accordance with ITB Clause 9, 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.

26.3. In the event of the specified date for submission of Bids being declared a holiday for the Purchaser, the bids will be received up to the specified time on the next working day. Such postponement of the date will not have any impact on the other dates specified bidding document (Bid Validity and validity of Bid Security).

27. Late Bids

27.1. The Purchaser shall not consider any Bid that arrives after the deadline for submission of Bids. Any Bid received by the Purchaser after the deadline for submission of Bids shall be declared late, rejected, and returned unopened to the Bidder.

28. Withdrawal, Substitution and Modification of Bids

28.1. A Bidder may withdraw, substitute or modify its Bid after it has been submitted by sending a written notice, duly signed by an authorized representative, and shall include a copy of the authorization (the power of attorney). The corresponding substitution or modification of the Bid must accompany the respective written notice and must be:

a) submitted in accordance with ITB Clauses 24 and 25 in addition, the respective envelopes shall be clearly marked "WITHDRAWAL", "SUBSTITUTION" or "MODIFICATION;" and

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28.2. received by the Purchaser prior to the deadline prescribed for submission of Bids, in accordance with ITB Clause 26.

28.3. Bids requested to be withdrawn shall be returned unopened to the Bidders.

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

28.5. Withdrawal of a bid between the deadline for submission of bids and expiration of the period of bid validity specified as extended pursuant to Clause 22.1, may result in the forfeiture of the Bid Security pursuant to Clause 23.5. If the lowest or the lowest evaluated Bidder withdraws his bid between the periods specified in this clause, the bid security of the Bidder shall be forfeited.

29. Bid Opening

29.1. The Purchaser shall conduct the Bid Opening in public, in the presence of Bidders designated representatives who choose to attend, and at the address, date and time specified in the BDS.

29.2. Bidders, their representatives and other attendees at the Bid Opening shall not be permitted to approach any members of the Bid Opening Committee or any of the Purchaser employees.

29.3. First, envelopes marked "WITHDRAWAL" shall be read out and the envelope with the corresponding Bid shall not be opened, but shall be returned to the Bidder. 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.

29.4. Next, envelopes marked "SUBSTITUTION" shall be opened and read out and exchanged with the corresponding Bid being substituted. The substituted Bid shall not be opened, but shall be 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 at Bid Opening.

29.5. Envelopes marked "MODIFICATION" shall be opened and read out 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 at Bid Opening.

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29.6. All other envelopes shall be opened one at a time. The Bidders' names, the Bid prices, the total amount of each Bid and of any alternative Bid (if alternatives have been requested or permitted), any discounts, bid withdrawals, substitutions or modifications, the presence or absence of Bid Security, responses to any Bidding Documents addenda, and such other details as the Purchaser may consider appropriate shall be announced by the Purchaser at the Bid Opening.

29.7. No Bid shall be rejected at Bid Opening except for late Bids pursuant to ITB Clause 27, and Bid Security not in accordance with ITB 23.

29.8. Substitution Bids and modifications submitted pursuant to ITB Clause 28 that are not opened at Bid Opening shall not be considered for further evaluation.

29.9. The Bidders' representatives and attendees who are present shall be requested to sign the record of Bid Opening. The omission of a Bidder's or other attendee's signature on the record shall not invalidate the contents and effect of the record.

29.10. In case of Single Stage Two Envelope Bid, technical bid shall only be opened on the bid opening date. The date for opening the financial bid shall be intimated to the Bidders whose Bid is found responsive in the techno-commercial evaluation.

E. Evaluation and Comparison of Bids

30. Confidentially

30.1. Information relating to the examination, evaluation, comparison of Bids, and recommendation of Contract Award, shall not be disclosed to Bidders or any other persons not officially concerned with such process until publication of the Contract Award.

30.2. Any effort by a Bidder to influence the Purchaser in the examination, evaluation, comparison and post qualification of the Bids or Contract Award decisions may result in the rejection of its Bid.

30.3. Notwithstanding ITB Sub-Clause 30.2, 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.



31. Clarification of Bids

31.1. To assist in the examination, evaluation, comparison of the Bids, the Purchaser may, at its discretion, ask any Bidder for a clarification of its Bid such as discrepancies between the offered Guaranteed Technical Particulars and test value/ drawings/relevant documents, any documentary evidences including type test report, past performance certificates, ISO certificates etc.

31.2. Any clarification submitted by a Bidder 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 35. If a Bidder does not provide clarifications of its Bid by the date and time set by the Purchaser, the bid may be rejected.

32. Preliminary Examinations of Bids

32.1. The Purchaser shall examine the Bids to confirm that all documents and information requested in ITB Clause12 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(a);
b) Price Schedules, in accordance with ITB Sub-Clause 12.1 (a);
c) Bid Security, in accordance with ITB Clause 23.

32.3. No conditional offer(s) shall be allowed. A bid with conditional offers shall be rejected.

33. Examination of Techno-Commercial Bids

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

33.2. During the evaluation of bids, the following definitions shall apply:

a) "Deviation" is a departure from the requirements specified in the Bidding Document. Any comments, remarks, observations and feedbacks will constitute as deviation and shall be indicated in the deviation sheet;

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

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

33.3. The Purchaser shall evaluate the technical aspects of the Bid submitted in accordance with ITB Clause 20, to confirm that all requirements specified in Schedule of Supplies, have been met without any material deviation or reservation.

33.4. 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 35, the bid shall be rejected.

34. Responsiveness of Bids

34.1. The Purchaser's determination of a Bid's responsiveness shall be based on the contents of the Bid itself, and is to determine which of the Bids received are responsive and thereafter to compare the responsive Bids against each other to select the lowest evaluated Bid.

34.2. A substantially responsive Bid is one that conforms to all the terms, conditions and technical 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 or Related Services required; 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 affect unfairly the competitive position of other Bidders presenting responsive Bids

34.3. 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.

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35. Nonconformities, Errors and Omissions

35.1. 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.

35.2. 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. Such omission 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.

35.3. 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 ITB Sub-Clauses 35.3 (a) and (b) above.

35.4. If the Bidder that submitted the lowest evaluated Bid does not accept the correction of errors, its Bid shall be disqualified and its Bid Security shall be forfeited.

36. Conversion to Single Currency

36.1. For evaluation and comparison purposes, the Purchaser shall convert all Bid prices expressed in amounts in various currencies into a single currency based on the Telegraphic Transfer (TT) selling rate published by the Royal Monetary Authority of Bhutan on the day of bid opening.

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37. Margins of Preferences

37.1. A margin of preference may apply to domestic Goods manufactured in Bhutan as provided for in the BDS. To avail a margin of preference, the Bidder shall provide a value addition certificate from the Ministry of Economic Affairs.

38. Detail Evaluation and Comparison of Bids

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

38.2. To evaluate a Bid, the Purchaser shall only use the factors, methodologies and criteria defined in this ITB Clause 38. No other criteria or methodology shall be permitted.

38.3. To evaluate a Bid, the Purchaser shall consider the following:

a) evaluation shall be done for Items or Lots, as specified in the BDS;
b) the Bid Price, as quoted in accordance with ITB Clause 16;

c) price adjustment for correction of arithmetic errors in accordance with ITB Clause 35.3;

d) price adjustment due to discounts offered in accordance with ITB Clause 16.4;

e) adjustments due to the application of the evaluation criteria specified in the BDS; and

f) adjustments due to the application of a margin of preference, in accordance with ITB Clause 37, if applicable.

g) If required, the Purchaser may carry out the inspections of the Bidder's factories to assess the production and technical capacity of the Bidder to perform the Contract. The Purchaser shall notify in advance of the date in writing on which the inspection will be made.

38.4. The Purchaser's evaluation of a Bid shall exclude and not consider:

a) in the case of Goods manufactured in Bhutan, sales and other similar taxes which will be payable on the Goods if the Contract is awarded to the Bidder;

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b) in the case of Goods manufactured outside Bhutan, already imported or to be imported, Customs duties and other import taxes levied on the imported Goods, sales and other similar taxes which will be payable on the Goods if the Contract is awarded to the Bidder; and

c) any allowance for price adjustment during the period of execution of the Contract, if provided in the Bid.

38.5. 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 16. These factors may be related to the characteristics, performance, and terms and conditions of purchase of the Goods and Related Services. The effect of the factors selected, if any, shall be expressed in monetary terms to facilitate comparison of Bids, the factors, criteria and the methodology of application shall be as specified in ITB Sub-Clause 38.3 (e).

38.6. If so, specified in the BDS, 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 BDS.

38.7. The Purchaser shall compare all substantially responsive Bids to determine the lowest evaluated Bid, in accordance with ITB Sub-Clause 34.

39. Abnormally High / Low Bids

39.1. An abnormally low bid is one where the bid price, in combination with other elements of the bid appears to be so low that it raises concerns as to the capability of the Bidders to perform the contract for the offered bid price.

39.2. When the prices in a particular bid appear abnormally low or seriously unbalanced, the Purchaser shall revisit/ review its own estimated value. Based on the revised value, decision shall be taken to reject/ accept the abnormally low or high bids. The Procuring Agency /TEC shall seek written clarifications from the Bidder including detailed price analysis of its bid price in relation to the subject matter of the contract and any other requirements of the request for Bidding Documents.

39.3. If the Purchaser decides to accept the abnormally low bid after considering the above, the Bidder shall be required to provide additional differential security equivalent to the difference between the estimated amount and the quoted price in addition to the performance security, to a maximum of 10% of the quoted

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amount in the form of BG/DD enforceable in any Bank of Bhutan. The Differential security shall be retained till the completion of the supplies.

39.4. If the prices of all the received bids are abnormally high then the Purchaser may negotiate with the lowest evaluated Bidder after approval of the Competent Authority. In case the negotiation fails, all bids may be rejected.

40. Purchaser's Right to Accept Any Bid, and Reject Any or All Bids

40.1. 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

41. Award Criteria

41.1. 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.

42. Purchaser's Right to vary quantities

42.1. 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 Schedule of Supply, provided this does not exceed 25% of the total quantity of the item without any change in the unit prices or other terms and conditions of the Bid and the Bidding Documents.

43. Notification of Award

43.1. Prior to expiry of the period of Bid validity, the Purchaser shall notify the successful Bidder, in writing, that its Bid has been accepted and may publish a Notification of Award on the Purchaser's website or relevant website.

43.2. Until a formal Contract is prepared and executed, the Notification of Award shall constitute a binding Contract.

43.3. Upon the successful Bidder furnishing the signed Contract Form and the Performance Security pursuant to ITB Clause 45. The Purchaser shall promptly

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notify each unsuccessful Bidder and discharge its Bid Security, pursuant to ITB Sub-Clause 23.4.

43.4. After the issuance of Notification of Award, unsuccessful Bidders within three (3) days may request in writing to the Purchaser for a debriefing seeking explanations of the grounds on which their Bids were not selected. Where a request for debriefing has been received within the deadline, the Purchaser shall provide debriefing within five (5) days in writing to any unsuccessful Bidder.

44. Signing of Contract

44.1. At the same time as notifying the successful Bidder in writing through NoA that its Bid has been accepted, the Purchaser shall invite the successful Bidder for signing of Contract Agreement.

44.2. Within the time period specified in the BDS, on issuance of the NoA the successful Bidder are required to submit performance security and sign the Contract Agreement.

44.3. Where the Contract is not signed by both parties in person:

a) The Purchaser shall send to the successful Bidder a duly signed copy comprising of complete Contract documents and the NoA. These documents shall be signed by the successful Bidder or its duly authorized representative, together with the date of signature, in order for the Contract to be effective;

b) The NoA shall indicate the deadline within which the successful Bidder shall sign these documents with the date of signature and return a copy to the Purchaser, in accordance with the mode of delivery including electronic mode (e.g., scanned copy with electronic signature, etc.) as may be specified by the Purchaser in the NoA;

c) The Contract shall become effective from the date of signing these documents;

d) Failure of the successful Bidder to accept the award/ sign the contract shall constitute sufficient grounds for the annulment of the award and forfeiture of the bid security.

44.4. Notwithstanding ITB Sub-Clause 45.2 above, in case signing of the Contract Agreement is prevented by any export restrictions attributable to the Purchaser, to Bhutan, or to the use of the products/Goods, systems or services to be

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supplied, where such export restrictions arise from trade regulations from a country supplying those Goods, systems or services, the Bidder shall not be bound by its Bid, always provided, however, that the Bidder can demonstrate to the satisfaction of the Purchaser that signing of the Contact Agreement has not been prevented by any lack of diligence on the part of the Bidder in completing any formalities, including applying for permits, authorizations and/or licenses necessary for the export of the Goods, systems or services under the terms of the Contract.

45. Performance Security

45.1. Within the time period specified in the BDS, on receipt of Notification of Award from the Purchaser, the Bidder shall submit the Performance Security in accordance with the GCC 16, using any of the following forms:

a) Unconditional bank guarantee in the form provided for in Section X, Contract

b) Forms, or another form acceptable to the Purchaser, or

c) Banker's certified cheque/cash warrant, or

d) Demand draft.

e) Cash deposit through Bank transfer only in case of exceptional circumstances in the Purchaser's bank account.

45.2. If the Performance Security is provided by the successful Bidder in the form of a bank guarantee issued by any Financial Institution enforceable in any Banks in Bhutan.

45.3. Failure by the successful Bidder to submit the above-mentioned Performance Security or to 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. Such a failure shall be considered as "withdrawal" and all relevant clauses shall apply.

