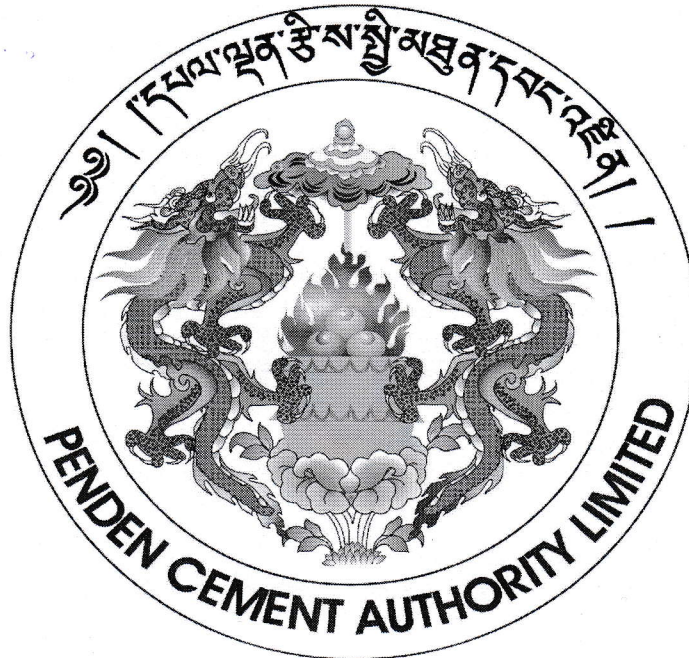




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**BIDDING DOCUMENT
FOR
SEPARATE COAL FIRING SYSTEM FOR C-LINE.**

**CORPORATE OFFICE AND BUSINESS UNITS: PHUNTSHOPELRI (GOMTU)
DZONGKHAG: SAMTSE, BHUTAN**

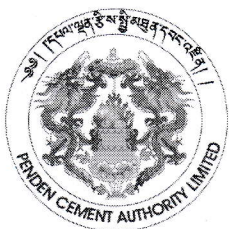
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TERMS OF REFERENCE (TOR) FOR SEPARATE COAL FIRING SYSTEM FOR C-LINE.

Background.

Penden Cement Authority Limited (PCAL) is an ISO 9001:2015 certified company, holding product licenses from BIS and BSB. The factory, located in Phuntshopelri (Gomtu), Samtse, Bhutan, was established in 1980 with an initial focus on producing Ordinary Portland Cement (OPC). As a large-scale cement production industry, PCAL is registered under the Companies Act of the Kingdom of Bhutan, 2000.

Initially an undertaking of the Royal Government of Bhutan with financial and technical assistance from the Government of India, PCAL was officially inaugurated on February 5, 1982, by Her Royal Highness Ashi Kezang Wangmo Wangchuk, with Shri S. Hydar, Ambassador of India, also in attendance. Shri V.B. Rangnekar served as the first Managing Director. Over the past four decades, PCAL has been instrumental in Bhutan's infrastructural development, serving as a key cement supplier within the country, including for mega hydropower projects.

Vision: To be a leading manufacturing organization in the region, reputed for its quality products, services, and business practices (PCAL Website, 2025).

Mission: To strive to be the most resource-efficient manufacturer of construction materials in the region by adopting appropriate technologies and best practices, while being conscious of the expectations of customers and the well-being of employees (PCAL Website, 2025).

Core Values:

- We are passionate about our brand, people, and products, and in delivering value to our stakeholders.
- We promote the highest integrity with fairness in our deliberations.
- We strive to create the most conducive work environment with a high focus on the environment, health, and safety of our employees.
- We believe in "Walk the talk" and in collectively creating a better future. (PCAL Website, 2025).

Penden Cement Authority Limited (PCAL) was constituted as an undertaking of the Royal Government of Bhutan under the Royal Charter in 1974 and is now a Joint Sector Company incorporated under the Companies Act of Bhutan 2016. The process of setting up a 300 TPD (Tons Per Day) plant at Gomtu began in 1977, with commercial production commencing in 1981. In 1993 the plant capacity was optimized to 400 TPD and later in the year 1996, the plant capacity was augmented to 800 TPD. The plant was then optimized to a clinker production capacity of 1000 TPD in the year 2002 by adopting the improved technology and control system. In 2004, with the concept of the introduction of blended cement by using industrial wastes such as slag and fly-ash, the capacity of cement production was further enhanced to 1650 TPD.

1. Background of Coal Mills.

There are 2 coal mills which has capacity of coal -I is 3 TPH for kiln coal firing & coal mill II -5 TPH for calciner coal firing. For both the mills raw coal storage and feeding is common. The PCAL would like to have no separate coal storage system but separate coal firing. Coal milling into different coal mills & feeding into the same hopper for coal firing. Wants to make different coal storage & different firing systems in this project but already there is a different coal firing system existing.

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2. Scope of Work

Scope of work: Supply, Installation, testing & commissioning of **Coal** separate storage & feeding system, including civil foundation, storage silos/hoppers with level sensors, 12 months warranty. The contractor shall perform FAT, SAT and a guaranteed performance test for machines., material certificates and reference project list.

The scope of this separate storage & feeding system, party to conduct a comprehensive assessment of the current coal mill system process. This assessment aims to identify existing inefficiencies and potential areas for improvement through the integration of a separate coal storage & feeding system for using of high ash coal for cost effectiveness. The party should first visit the site & study thoroughly, after that only accept the quotation for better benefits for the company.

The study will involve the following key steps:

- **Detailed Technical Evaluation:** An in-depth evaluation of the existing coal mills system integration with upcoming projects, including mill performance.
- **Proposed Technology Examination:** An examination of the proposed coal separate technology in terms of compatibility, process integration, and potential benefits such as increased production rates and reduced energy usage.
- **Implementation Considerations:** An outline of factors such as space requirements, estimated downtime during installation, and integration with existing equipment.

The study will culminate in a set of recommendations to support decision-making regarding the installation of the coal separate storage & feeding system.

3.Objectives:

- To make different feeding system
- To make different storage system
- To reduce cost efficiency by using high ash coal.

4. Timeline:

Phase	Activity	Duration	Start Date	End Date	Remarks
Open Tender	In Kuensel and Indian news papers	15 days	30/10/2025	14/11/2025	Open Tender
Phase-1	Site Visit to study exiting system in PCAL Plant (Coal mills)	2-3 days			Data collection, Assess integration, space, compatibility study (Note-Site visit is must before submission of offer)
Phase-2	Submission of quotation	15 days	30/10/2025	14/11/2025	Last date of enquiry submission
Phase-3	Opening of bid and Evaluation by TEC	1 week	14/11/2025	21/11/2025	TEC to submit to TAC

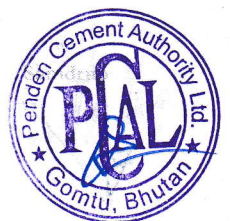
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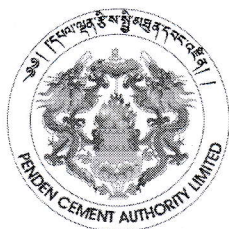
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Phase-4	Final decision making by TAC	1 week	21/11/2025	28/11/2025	Decision making and negotiation with the party.
Phase-5	Award of work/ placement of Supply order	7 days	28/11/2025	05/12/2025	Issue of LOA and on their acceptance issue of WO/SO.
Phase-6	Implementation/Execution of Project.	2 Months	05/12/2025	05/02/2026	Design, manufacturing, supplying of equipment erection, installation and commissioning. Hand & taking over with a performance test.

5. Party Scope

- a. All the field equipment/devices required for the above studies are to be arranged by the party at their own cost
- a. Timely submission of detailed report and meeting on time.
- a. The other logistic arrangement of transportation and team to be borne by the party if required.
- a. Safety gadgets PPE for the team & labour

6. PCAL's Scope:

- a. The PCAL-Sr. Engineer (MD)/Dy. Chief Engineer (MD) shall guide the party team to the site and monitor the field work.
- a. The PCAL will do lodging & food arrangement to party coming for site visit, final meeting.
- a. Other relevant information and necessary support in PCAL's capacity, if required at the field by the party may be provided depending upon the availability of the materials and resources to complete the study on time as per approval from higher authority.
- a. PCAL will arrange safety PPE during the site visit.

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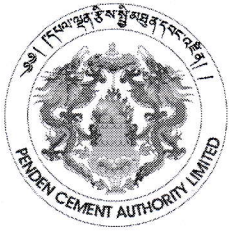
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GENERAL TERMS AND CONDITIONS

CLAUSE: 1

It is mandatory for the Contractors to furnish the following information and documents without which the bid shall be cancelled out rightly.

- 1.1 Tender documents with detailed terms and conditions for the said work can be downloaded from our website www.pendencement.bt from **30th October 2025**.
- 1.2 An amount of 2% of the total works value as a Bid Security/Earnest Money Deposit (EMD) in the form of Demand Draft/Cash warrant/Unconditional Bank Guarantee to be submitted. The EMD can be deposited directly to PCAL Account No.101731083, maintained at BOB, Gomtu or Beneficiary Name: Penden Cement Authority Ltd, Gomtu Bhutan, Beneficiary Bank : Bank Of Bhutan, Beneficiary Bank Account No: 11128915571, IFSC Code: SBIN0001447, State bank of India, Hasimara, Branch: Distt: Alipurduar (WB) and attach the Deposit Slip along with the Bid documents.
- 1.3. Valid Construction Development Board (CDB) certificate appropriate to value of work/Job.
- 1.4. Valid Trade License appropriate to the type/category of work/job.
- 1.5. Valid Tax Clearance Certificate.
- 1.6. Attach Cost of tender form.
- 1.7. Tenders filled and signed by other than the owner/contractor are not permitted. However, if the signatory is authorized then the tender document should be accompanied by an authorization letter from the owner.
- 1.8. Tender document to be completed in all respects, incomplete tender may lead to rejection of tender.
- 1.9. The contractor interested to be present during the opening of tender should report in time and will not be allowed to participate once the tender opening is started.
- 1.10. In case the contractor/owner deposes his/her representative for the opening of tender he should come with authorization.
- 1.11. The bidder is advised to deliver bids to the addressee in a sealed envelope sealed with adhesive tape or other sealant and shall be marked "Confidential", "Tender No. and name of the works" "Do not open before the specified date, month and time".
- 1.12. The cash receipt for purchased tender documents from our Cash Section to be submitted along with the bid, without which the bid shall be disqualified.
- 1.13 Sealed tender/bid duly filled in should be addressed to Chief Executive Officer super-scribing the name of work, contact number of the bidder and can be delivered by hand or by registered post in sealed envelopes. The tender documents downloaded from our website should bear the seal and signature of the contractor on every page of tender documents.
- 1.14 Last date and time of receiving of tender **14th November 2025** before 1400 hrs (BST) and shall be opened on the same day at 1430 hrs (BST). Any tender received thereafter shall be rejected.

CLAUSE: 2 Bid validity

The bid validity period shall be kept for 30 (Thirty) days from the date of Enquiry as per our notification date. During this period the bidders shall be required to submit their bids valid for a period specified in the bidding documents which shall be sufficient for the employer to complete the comparison and evaluation of bids, and to

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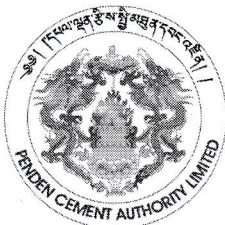
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obtain all necessary approvals for the award of contract within the period. In case, it is not possible to complete the bid evaluation and award of contract within a given period of validity due to reasons beyond its reasonable control, bidders' consent for an extension of bid validity period shall be sought. Under such circumstances:

- a) The request and the responses thereto shall be made in writing, by fax, or by email to all participating bidders;
- b) A bidder agreeing to the extension request shall also agree to an extension of the validity of the bid security. The period of the validity of the bid securities shall be suitably extended accordingly. Such a bidder shall not be required to or permitted to modify its bid;
- c) A bidder may refuse the request to extend the bid validity that would lead to his disqualification without forfeiting his bid security. In such a case the bid shall not be further considered for evaluation and award.

CLAUSE: 3 Bid Security

- 3.1. 2% of the total amount of the quoted works value to be submitted as Bid Security.
- 3.2. The bid security shall be in the form of unconditional bank guarantee/Cash Warrant/ Demand Draft or as specified in the bidding documents.
- 3.3. The bid security shall remain valid for a period of thirty days beyond the validity period for the bids, in order to provide reasonable time if the security is to be called. The bidding documents shall mention the exact date till which the bid security shall remain valid.
- 3.4. The bid security may be forfeited:
 - a) If a bidder withdraws its bid during the period of bid validity specified by the bidder;
 - b) If a bidder does not accept the arithmetical corrections of its bid price;
 - c) In the case of successful bidder, if the bidder fails to sign the contract within the prescribed time or furnish the performance security within the prescribed time.
- 3.5. After the award of contract, the bid security of all the unsuccessful bidders shall be returned within fifteen working days of the award of contract. In case of single stage – two-envelope mode of tendering, bid security of non-responsive bids shall be returned immediately after the technical evaluation.
- 3.6. The bid security of the successful bidder shall be return on submission of the performance security by the successful bidder to whom the contract is awarded.

CLAUSE: 4 Performance Security

- 4.1 The company shall require the contractor to submit a Performance Security prior to the signing of the contract. The amount of Performance Security shall be ten (10) percent of the contract quoted amount.
- 4.2 The performance security shall be valid until the handing over of completed work(s). It shall serve as a guarantee that the contractor will perform his contractual obligations under the contract till the start of the defect liability period. In the event the contractor fails to perform contractual obligations under the contract the contract shall be terminated and the performance security forfeited. The performance security shall be denominated in the currency/ currencies specified in the bid documents and shall be in the form of cash warrant or demand draft only.
- 4.3 The performance security shall be discharged and returned to the contractor within thirty days of the start of defect liability period. Failure of the successful bidder to submit the above-mentioned

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performance security or sign the contract shall constitute sufficient grounds for the annulment of the award and forfeiture of the bid security. In that event, the company may award the contract to the next lowest evaluated bidder whose offer is substantially responsive and is determined to be qualified to perform the contract satisfactorily or call for fresh bids.

CLAUSE: 5 Security Deposit

- 5.1. The company shall require the contractor to submit a Security Deposit prior to the signing of the contract. The amount of Security Deposit shall be ten (10) percent of the total value of contract/work value.
- 5.2. The Security Deposit shall be valid until the completion of the contract. It shall serve as a guarantee that the contractor will perform his contractual obligations under the contract till the end. In the event the contractor fails to perform contractual obligations under the contract the contract shall be terminated and the Security Deposit shall be forfeited. The Security Deposit shall be in the form of cash warrant or demand draft and not acceptable in any other form.
- 5.3. The Security Deposit shall be discharged and returned to the contractor within thirty days after the successful completion of the contract. Failure of the successful bidder to submit the above-mentioned Security Deposit or Sign the contract shall constitute sufficient grounds for the annulment of the award and forfeiture of the bid security. In that event, the company may award the contract to the next lowest evaluated bidder whose offer is substantially responsive and is determined to be qualified to perform the contract satisfactorily or call for fresh bids.
- 5.4. The Security Deposit or part thereof shall be returned to the contractor on completion of the assignment under the contract. In case of contracts of duration more than 12 months, when fifty percent (50%) of the work is complete, the security deposit money or part thereof may be returned to the contractor against his submission of an unconditional bank guarantee of the equivalent value, acceptable to the company. Such unconditional bank guarantee shall remain valid until the contract period and shall be released after the completion of the contract.
- 5.5. On completion of the contractual period, the engineer in-charge shall issue a no defect liability certificate to the contractor and release the retention money or bank guarantee within fourteen (14) days from the issue of certificate.

CLAUSE: 6 Price/Rate

- 6.1. The price shall be quoted in Ngultrum and it shall remain valid and fixed till the entire contractual period and shall not be subject to revision under any circumstances.

CLAUSE: 7. Liability & Risk

- 7.1. The bidder shall be fully responsible to transport the goods from one location to another in terms of quantity, pilferages, leakages, accidents etc.
- 7.2. It shall also be the responsibility of the bidder to transport the goods as specified in the Transportation Challan issued by the client.
- 7.3. Any loss of goods or consignment as per clause 7.1. The bidder shall be fully accountable and responsible to make good of the damages or loss without any denial and additional cost implication to the consignor.

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- 6.2. al specification quoted in bidding documents shall be such that it promotes the maximum possible competition, while ensuring the critical performance or other requirements for the works under procurement. The standards must be defined, by benchmarking against internationally accepted standards, with which the workmanship shall comply, where such standards exist, and by benchmarking against national standards (such as those set by BSB for different sectors and areas of works) where such international standards do not exist or are inappropriate. The workmanship meeting other standards, which are equivalent or superior in quality or performance, will also be accepted. Suitable provisions in this regard should be made in the bidding documents.
- 6.2. The bid document shall provide the quality plan indicating the quality checks to be exercised by the company at various stages of the execution of the works.

CLAUSE: 7. Terms and Methods of Payment

- 7.1. All bills and invoices shall be paid within one month of receipt of such bills/ invoices, provided that the bills/ invoices are compliant with all the requirements of the company. Incomplete/ non-compliant bills to be returned immediately to vendors. Such provision shall be incorporated in the contract documents unless agreed otherwise.
- 7.2. The prices in a contract shall be on a fixed basis with the following exceptions:
- a) The company may prescribe conditions relating to price adjustments due to difference/ deficiencies in qualities within tolerable limits determined by it;
 - b) For contracts having delivery schedules more than 12 months, the bidders may not be able to quote the fixed prices. Variations in the cost of material and labor based on specified indices shall be permitted as per clause 8.
 - c) Increase or decrease in duties, taxes and levies payable by the contractor as a result of government orders after the date, thirty days prior to the deadline for submission of bids.
- 7.3. The increase or decrease as specified in para 7.2 (c) should be payable/ adjustable to/ from the contractor in respect of the materials purchased after the date of effect of the government order on submission of satisfactory documentary evidence.
- 7.4. In the case of works estimated to cost up to Nu. 0.3 million, the contract shall specify that no amount shall be payable to the contractor till the whole work has been completed and a certificate of completion is issued to the contractor.
- 7.5. In case of works costing more than Nu. 0.3 million, the contract shall generally specify that amount shall be payable at such times as agreed between the parties or at prescribed intervals coinciding with the physical progress of the work.
- 7.6. Contracts shall provide appropriate cases for mobilization advances, advances on contractor's equipment and materials, regular progress payments, and reasonable retention amounts to be released upon compliance with contractor's obligation under contract.
- 7.7. If the contractor fails to quote rates or prices against any items, the cost of such items shall be deemed to have been covered by other rates and prices quoted in the Bill of Quantities. No payments against execution of such items shall be made.
- 7.8. Bidding documents shall specify the arrangements for any security required for advance payments.

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Also, the bidding documents shall specify the payment method and terms offered, whether alternative payment methods and terms will be allowed.

7.9. Bidding documents shall specify the arrangements for any security required for advance payments.

Also, the bidding documents shall specify the payment method and terms offered, and whether alternative payment methods and terms will be allowed.

CLAUSE: 8. Price Adjustment

The price adjustment of the contract such as labor, equipment, and materials, over which the contractor has no control and Price adjustment provisions for simple supply contracts involving short periods below 6 (Six) months are not allowed for any revision of rates. The rates offered shall remain valid till the entire contractual period.

CLAUSE: 9. Force Majeure

In the event, any delay by the contractor in performing his obligations under the contract is caused by force majeure, including but not limited to war, civil insurrection, fire, floods, epidemics, earthquakes, quarantine restrictions and freight embargoes, such delay may be excused and the period of such delay may be added to the time of performance of obligation delayed. If a force majeure situation arises, the contractor/bidder shall notify the company in writing of such conditions and the cause thereof along with documentary or pictorial evidence acceptable to the company. Unless otherwise directed by the company in writing, the contractor/ bidder shall continue to perform its obligation.

CLAUSE: 9. Liquidated Damages

9.1. Liquidated damages (LD) shall be calculated as follows:

- a) Where the works are not separable and complete work only can be taken over, LD shall be calculated at the rate of not less than 0.05% and not more than 0.10% for every day of delay on the final contract value;
- b) Where intermediate completion milestones are specified, LD shall be calculated at the rate of not less than 0.05% and not more than 0.10% per day of the value of the work relevant to the milestone if delayed beyond scheduled completion date.

9.2. The total amount of liquidated damages shall not exceed ten percent (10%) of the Contract Price.

CLAUSE: 10. Defect Liability Period

The defect liability period shall be for a minimum of Six months which shall begin from the date of handing over of the completed works which shall be officially recorded. The main purpose of the defects liability period is to demonstrate under operational conditions that the requirements of the contract have been complied with. During this period the contractor must not only complete such outstanding items of work as are listed in the Taking Over Certificate but also remedy any defects that may appear, at contractors' cost. However, if the defect is proven to be as a result of a design problem, when the contractor was not involved in the design, then the company shall bear the costs of rectification.

CLAUSE: 11. Settlement of Disputes

11.1. The mechanisms for dispute resolution, intended to regulate events following the breach of a

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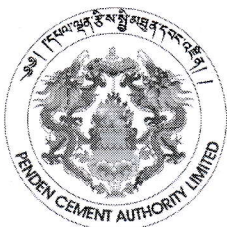
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contract by one of the parties in case of more than one language shall:

- a) Preferences for interpretation of the contract shall be considered in the English language if more than one language.
- b) For contracts to be performed in Bhutan, the governing law shall be the law of Bhutan and the forum for mediation/ arbitration shall be as specified in the bidding documents or as per the procurement manual of the works of PCAL.;
- c) A clause requiring the parties to attempt to reach an amicable settlement before turning to the courts or other tribunals.

CLAUSE: 12. Bid form and Bill of Quantities

- 12.1. The bid form shall be a letter addressed to the company with the bidder's commitment to accept and comply with the provisions of bidding documents, which are binding on them, and abide by the bid validity date and provide performance guarantees, if required, on award of contract. The bidder shall fill the bid form and sign. Non-compliance would be treated as the bidder not accepting the terms and conditions of the bid documents and addenda issued thereafter, the bid shall be rejected.
- 12.2. A BOQ, indicating the description and quantity of the works to be done and the corresponding unit shall be provided with the bid documents. The priced BOQ shall have the provisions for rates to be filled in by the bidders both in figures and words.
- 12.3. The prospective bidders shall be instructed to include or mention in the BOQ about any discount that may be offered on the quoted prices. The presence of alternate bids, if any, shall also be mentioned.

CLAUSE: 13. Clarification on Bidding Documents

- 13.1. The Invitation for Bid shall mention that if the bidder requires further bid clarification, the same shall be submitted in writing before the last date of bid clarification submission. The company shall respond to all the bidders who have acquired the bidding documents, including a description of the enquiry without identifying the source, as an amendment to the bidding document. Any bid clarification inquiry received after the last date of bid clarification will not be responded to.
- 13.2. Conduct pre-bid meetings to clarify doubts and concerns of the bidders prior to submission of bids if required. Minutes of the pre-bid meeting shall be circulated to all bidders who have purchased bidding documents. Non-attendance in the pre-bid meeting, if conducted, shall not be a reason for disqualification of bidders.

CLAUSE: 14. Amendment of Bidding Documents

- 14.1. The company reserves the right to amend or modify bidding documents for any reason by issue Of addendum either on its own initiative or in response to a clarification request from bidders who have purchased the bid documents prior to a predetermined date or deadline for submission of bids. All bidders who have purchased the document shall be notified of the amendment in writing which shall be the part of bidding documents and shall be binding on them.
- 14.2. For the information of those prospective bidders who may have downloaded the bidding documents from the web site, the corrigendum to the bidding documents will also be published on the web site. It will be the responsibility of such bidders to regularly visit the website for any amendment to the bidding

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documents until the last date of bid submission. A suitable clause in the Invitation to Bids originally published on the website may be included to this effect making it very clear that the company shall in no way be responsible for any ignorance of the bidder about the amendment to the bidding documents.

- 14.3. Depending on the nature of amendment issued, the company can also extend the deadline for submission of bid to allow the bidders reasonable time for taking the addendum into account in preparations of their bids.

CLAUSE: 15 (Execution of work)

- 15.1 The contractor is required to be present at site all the time. In case the contractor is unable to attend the site due to some reasons he or she should have a competent supervisor/Manager representing him/her and the same may be intimated to the concerned department.
- a) Site order book, materials account register, hindrance register has to be kept at site which is to be recorded and the same to be signed by Contractor and the Departmental site engineer and the same has to be made available at site as and when demanded by senior officers of the company.
- b) All work should be carried out as per the specifications, drawings. All the work under the scope of work to be approved by the site engineer/Sr. Engineer prior to execution to avoid any discrepancies.

The time allowed for carrying out the work as entered in the tender shall be strictly observed by the contractor and shall be deemed to be the essence of the contract on the part of the contractors and shall be reckoned after the date on which the written order to commence the work is issued to the contractor.

The progress of the work should be in proportion to the time that lapses from the date of commencement of the work. If the contractor fails to start the work within 15 days from the date of issue of order, the Management shall be at liberty to cancel his contract and forfeit the earnest money. In case the contractor fails to complete the work in the stipulated period, Management may levy compensation for liquidated damage @1% per week delay limited to 10% of total executed value or the EMD/Security Deposit will be forfeited and also the party will not be considered in future tenders.

CLAUSE: 16. Language of Bid

The Bid, and all correspondence and documents related to the bid shall be in English and should be translated in English if the language is foreign, the translation shall prevail on the interpretation.

CLAUSE: 17. Modification and Withdrawal of Bid

- 17.1. The bidder, on submission of written application, may modify or withdraw its bid after the bid's submission prior to the deadline for submission of bid as prescribed in the bid documents. The bidder on re-submission shall write on the inner and outer envelope additionally marked as "Modification" or "Withdrawal", as appropriate. The company shall accept the bid (modified bid) as per the bid submission schedule as indicated in the bid documents and not thereafter. Bids once withdrawn shall not be accepted.
- 17.2. No bid may be withdrawn in the interval between the deadline for submission of bids and the expiration of the period of bid validity specified in the bid document, neither any modification will be accepted.

CLAUSE: 18 (Materials)

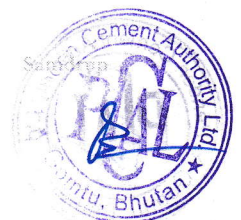
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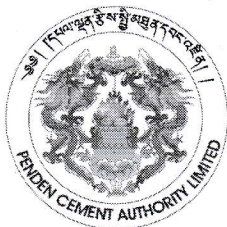
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- 18.1. Cement, steel, bricks, bitumen, HDPE pipe, any other building materials inclusive of road Roller required, shall be arranged by the contractor himself. The materials purchased by the contractor should conform to (SQCA) specifications/Indian standard code.
- 18.2. Collection of boulders from overburden disposed off from the PCAL's Mines will not be allowed for construction of sausage check dams. The boulders required for Construction of Check Dams to be arranged from river bed or from some other sources. In the event, if the contractor is found using the boulders from overburden disposed off from PCAL's mines, the cost of boulders will be deducted from the bill on the prevailing market rate.

CLAUSE: 19 (Treatment of abnormally low or high bid)

- 19.1 Treatment of abnormally low or high bid When the prices in a particular bid appear abnormally low, the company shall revisit its own estimated value. Based on the revised value, a decision shall be taken to reject/ accept the abnormally low bids.
- 19.2 If the company 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. A clause to this effect should be included in the bidding documents
- 19.3 If the prices of all the received bids are abnormally high then the company may negotiate with the lowest evaluated bidder after approval of the competent authority. In case the negotiation fails, all bids may be rejected and re-tendering or Limited Bidding procedure may be adopted as considered appropriate after revisiting the estimated value determined by the company.

CLAUSE: 20 (Removal of sub-standard materials)

The Engineer shall have full power regarding removal of all substandard materials from the work premises, which in his opinion are not in accordance with the specification. The engineer shall intimate to the contractor in writing. In case the contractor fails to remove such materials, he will be at liberty to employ other persons to remove the same, without being answerable or accountable for any loss whatsoever to the contractor. The cost of removal of materials shall be recovered from the contractor.

CLAUSE: 21 (Materials obtained from excavation/ dismantling)

The contractor shall treat all materials obtained during dismantling of the structure; excavation of site etc as Employer's property and such materials have been disposed of in accordance with the instruction issued in writing by the site Engineer.

CLAUSE: 22 (Specifications of work)

The work shall be executed in accordance with (SQCA) specifications. If any item is not covered in the specification, the same shall be carried out as per relevant IS specifications of the work or written instruction of the engineer.

CLAUSE: 23 (Inspection of work by Departmental officer)

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All works during execution or executed in pursuance of the contract shall be open for inspection by the engineer or his superior officers or any authorized subordinates. The contractor shall either be present or depute his authorized representative to receive orders and instructions at site at all times.

CLAUSE: 24 (Alterations and additions or substitution of work)

The Engineer shall have the power to make any alterations, additions or substitution for original specification, drawings, design that may be necessary for the purpose of the work and the contractor shall carry out the work in accordance with the instruction which shall be given to him in writing. Any altered, addition or substituted work which contractor may be directed to in the manner specified above shall be carried out by the contractor on their quoted rates, no revision of rate shall be allowed, suitable time extension if necessary shall be granted for the same.

If the rates for the additional, altered or substituted work or not in contract, rate shall be decided based on (+/-) current BSR rate of the items derived from the weighted average of rate quoted for other items.

CLAUSE: 25 (Variation in Contract/ (Deviation Limit)

Upon certified completion of entire work, if the reduction or increase in the total value of the work is found to be within 20% of the initial contract value, then there shall be no change in the contract rates for individual items of work specified in the BOQ irrespective of the quantum of variation in individual items. However, if the final quantity of the work done differs from the quantities in the BOQ for the particular item by more than twenty percent (20%), provided the value of the variation exceeds one percent of the initial contract value, the company shall adjust the quoted rate up or down to allow for the change. Only when both conditions are met then the quoted rate shall be changed.

- a) If the quantity actually executed exceeds the quantity of the item in the BOQ beyond the higher specified limit, the company shall fix the market rate (which may be lower or higher than the quoted rate) to be applied for the additional quantity of the work executed.
- b) If the quantity of work actually executed is less than the quantity of item in the BOQ beyond the lower limit specified, the company shall fix the market rate based on the submission of the contractor (which may be lower/higher than the quoted rate) to be applied for the entire quantity of the item used in the execution of the work.
- c) If the quantity of variation is more than 20% of the contract quantity, but the value of this variation is less than 1% of the original contract price, the excess quantity shall be valued at the rate or price set out in the contract.
- d) The variation shall be approved by competent authority in accordance with the DoP.

CLAUSE: 26 (Sub-standard works)

The contractor shall make good the defect of the work at his own expense or re-execute the work, if not in accordance with the specification, design & drawing. The engineer shall give notice to the contractor in writing for rectification of the defects and if the contractor fails to rectify the defects within the period specified, the engineer shall have the liberty to levy compensation on the contractor. The decision of the Management is final and binding on the contractor.

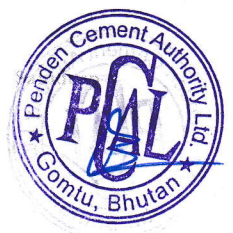
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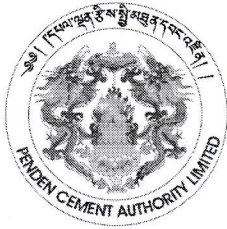
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CLAUSE: 27 (Measurement)

Before recording the measurements of the work, the engineer or the representative deputed by him shall give reasonable notice period to the contractor. If the contractor fails to attend the recording of the measurements, even after such notice, or if he fails to countersign the record within one week from the date of measurement, the measurement shall be treated as final & binding. The contractor has no right to dispute the same. The measurement shall be as per (SQCA) specifications /IS measurement code.

CLAUSE: 28 (Payment to contractor)

Payment shall be made within 10 days from the date of submission of the running bill duly verified by Engineer. No advance payment shall be paid. In the case of the final bill, a minimum one month is required to process the bill.

CLAUSE: 29 (Labour clause)

No labour below the age 18 years shall be employed by the contractor in the work. In case of non-compliance with the rules framed by RGoB, any fine imposed on the contractor's labour or his employees under relevant rules of RGoB, the same shall be borne by the contractor. The compensation whether for accident or death of the labour during the course of work shall be borne by the contractor himself. In the event RGoB rules require a permit for engaging expatriate labourers the responsibility rests on the contractor for obtaining permission. Management in no way will be held responsible for the penalty imposed by the relevant authorities for non-compliance of rules.

CLAUSE: 30 (Materials testing)

Laboratory tests like compressive tests for concrete cube, sand and aggregates etc required as per (SQCA) specification shall be tested by the contractor in the presence of the engineer or his authorized representative. All testing charges incurred in such tests shall be borne by the contractor.

CLAUSE: 31 (Contractor's Tax)

Contractor's Tax @ 2% will be deducted for Bhutanese contractors and @ 3% for Indian Contractor shall be deducted from the bills payable to the contractor.

CLAUSE: 32 (Clearing of site after completion of work)

The contractor shall remove all surplus materials and clean the site immediately after completion of the work. The final bill shall be passed only after the engineer has issued a certificate.

CLAUSE: 33 (Safety Provisions, safety of works and Public)

The contractor shall, from the beginning arrange for the safety provisions as required by any law for the time being in force in respect of labour directly or indirectly employed for the performance of the work and shall

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provide all basic facilities like (safety helmet, respiratory mask/markin cloth, gloves, goggles etc) in connection therewith. Precaution in safety code is the minimum necessary and shall not preclude from taking additional precautions as may be warranted for the particular type of work. Also mere observance of these precautions shall not absolve the contractor of his liability in case of loss or damage to property or injury to any person, including contractor's labour, PCAL's supervisor or any member of the public or resulting in death or injury of any of these.

CLAUSE: 34 (Tender Prices)

Tendered Prices: The Tendered prices should be typed or written in hand in English in the Price Schedules of the tender documents in ink both in words and in figures. In case of any discrepancy in the rates between words and figures, the rates in words shall govern and in case of discrepancy in rates and amount, the rates shall govern and the tender document to be properly sealed by wax.

It shall be presumed that the Bidder has carefully examined the terms and conditions, as contained in the Tender document/Specifications thoroughly and carefully, and fully acquainted himself / herself with all the details of the site conditions, location, weather characteristics, labour situation and all other information and data pertaining to the work. In fact, the offer may be prepared by the Bidder only after taking into account all the obligations as stated in the Tender documents for procurement, transportation and handling of all materials and mobilization of all plant and equipment, setting up of temporary establishments (and the clearance of the same at the end of the work) for the proper and timely execution of the work, compliance with all the statutory rules and regulations, as applicable, and payment of all royalties, insurance fees etc. in connection with the work, all at his own cost. The Bidder may visit the site prior to submission of the tender to collect more information on site condition at their own cost.

PCAL shall not entertain any claim, after the award of the work, on the plea of incomplete information on site conditions and/or on incorrect understanding of the stipulations in the Tender documents.

It shall be the responsibility of the Bidder to request for any missing document. In absence of any such request the Bidder shall be deemed to have received and read all documents.

All pages of the Tender documents including addenda/corrigenda, if any, should be initiated at the lower left-hand corner. The tender should be signed by the Bidder. In the event of the tender being submitted by a firm, it must be signed by each partner thereof, and in the event of the absence of any partner, it shall be signed on his behalf by a person holding a Power of Attorney authorizing him to do so, certified copy of which shall be enclosed.

Tenders submitted on behalf of companies, shall be signed by person duly authorized to submit the tender on behalf of the company and shall be accompanied by certified copies of the resolutions, extracts of articles of association, special or general Power of Attorney and other information to show clearly the title, authority and designation of persons signing the tender on behalf of the company.

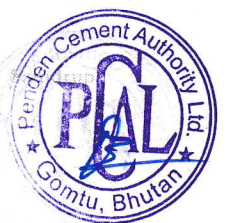
No alterations or modifications should be made in the contents of Tender documents. If corrections are needed while filling in the tender, the same shall be made by the Bidder with his dated signature. Any tender that is not accompanied with the complete set of 'Tender documents' and/or which does not include prices of all the items in the Price Schedule shall be considered incomplete and shall be rejected.

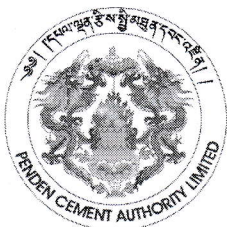
PCAL reserves the right to extend the date of submission of tenders. PCAL also reserves the right to revise and / or amend the Tender documents, prior to the date notified for the receipt of price bids or the extended date for the same. Such revisions, amendments or extensions, if any, shall be communicated to bidders / suppliers through letter or by a Fax / e-mail / telephone as may be considered suitable.

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CLAUSE: 35

Employers reserve the right to reject/accept any or all tenders without assigning any reason whatsoever.

CLAUSE: 36 (Tenderer's Identity)

The tender shall contain the name, residence and place of business of the person or person submitting the tender along with contact number and E-Mail address if available.

CLAUSE: 37 (Obligatory)

It is mandatory for the contractor to use PCAL product only for the above works and required quantity of cement can be lifted either on cash payment basis or adjustable from your Running or Final bills. However, the purchased cement shall be for the specific works only and it shall not be permitted for personal storage or for any other business other than above, if found the matter shall be viewed seriously. The Head of the Civil or the assigned Site Engineer shall assist the contractor to make the necessary arrangements on priority basis and the quantity shall be monitored.

CLAUSE: 38 (Award of Contract)

The acceptance of a tender and award of contract to one or more than a tenderer, if considered necessary, rest with the employer if shall not obligatory on the part of the Employer to accept the lowest tender the employer would be at liberty to accept any tender, lowest or otherwise is whole or impart and to reject any or all the tender received, without assigning any reason, and no explanation can be demanded by any tender in respect there to.

CLAUSE: 39 Contract-award

- 39.1 The contract shall be awarded to the bidder whose bid has been determined to be the lowest evaluated bid based on the bid evaluation and who meets the standards of capability and financial resources specified in the bid documents.
- 39.2 The award of a contract shall be notified to the successful bidder by a Letter of Acceptance (LoA) in writing by registered letter, or by fax or any electronic means of communications, that its bid has been accepted indicating the award price. When the company has been notified that it has been awarded the contract by such notification, the LoA will constitute the formation of a contract until the contract has been affected.
- 39.3 The company shall ensure that award of contract is completed within the period of the validity of the bid. 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.
- 39.4 The LoA shall include, among others, the following information:
 - a) The date of the award decision,
 - b) The contract price to be paid for the works,
 - c) Requirement of performance security,
 - d) A copy of the contract form provided in the bidding document incorporating all agreements.
- 39.5 Where it is not possible for both the parties to sign the contract simultaneously;
 - a) The company shall send to the successful bidder two original copies of the full contract together with the LoA signed by its duly authorized representative together with the dated signature;

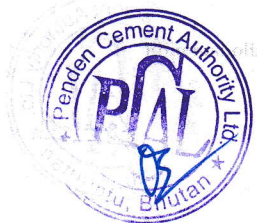
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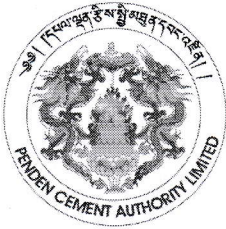
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- b) The LoA shall indicate the deadline which shall normally be not more than fifteen days by which the successful bidder must accept the award and sign the contract;
 - c) The successful bidder, if he agrees to conclude the contract, shall sign and date all original copies of the contract and the letter of acceptance and return one copy of each to the company before the expiry of the deadline indicated in the LoA;
- 39.6 When a contract is awarded to a joint venture, it is "jointly and severally" responsible for execution of the whole contract. In case of bids submitted by Joint Venture, where permitted, one of the members of the JV shall be designated as lead partner and the company shall correspond with such lead partner only in respect of all matters relating to the bid and award of contract. In such cases, the bidders shall be required to submit a Joint Venture agreement along with the bid.
- 39.7 Following documents from the contract and are to be taken as mutually explanatory of one another.
- a) The Contract Agreement;
 - b) Letter of Acceptance;
 - c) Bid and Appendix to bid;
 - d) Special Conditions of Contract;
 - e) General Conditions of Contract;
 - f) Technical Specifications;
 - g) Drawings;
 - h) Prices Bill of quantities;
 - i) Any other document forming part of the Contract.

CLAUSE: 40 Fraud & Corruption

The Anti-Corruption Commission (ACC) of Bhutan requires that the company, and the Bidders/ Contractors/ Contractors observe the highest standard of ethics during the procurement and execution of contracts. In conformance with ACC guidelines an Integrity Pact shall be signed by the company and the Bidders/ Contractors/ Contractors.

CLAUSE: 41 Contract Management

41.1 Contract Effectiveness

41.1.1 It must be ensured that performance security specified in the contract is received by the company and any advance payment specified in the contract is paid immediately when the advance payment security is received from the contractor. The contractor should also meet the agreed dates for mobilization and possession of the site.

41.1.2 Contract Supervision and Administration

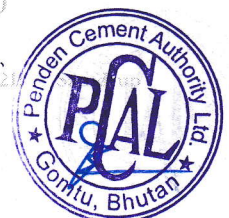
Contract supervision and administration will be undertaken by the Concerned Divisional Head or supervising engineer in charge of the office. He shall report and submit consolidated reports to the Competent Authority on a quarterly basis.

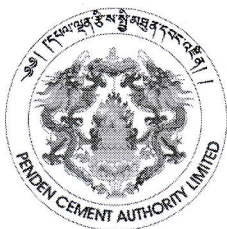
41.1.3 Contract management and supervision involve four main activity levels:

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- a) **Time Control:** Time control involves the implementation and completion of the works within the agreed schedule. It requires the close monitoring and effective management of the following aspects of the contract:
- o Completion schedule
 - o Release of advance payment to contractor,
 - o Commencement date
 - o Timely provision of inputs to the contractor r such as approval of drawings, handing over of sites, etc.,
 - o Delays and extensions
 - o Release periodical payments to the contractor as per terms of the contract
 - o Monitoring meetings and reports.

Contractor seal and Signature
with contact number

Director/Chief Executive Officer

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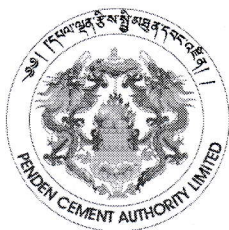
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INTEGRITY PACT

1 General

Whereas (Name of person) representing the (name of Agency), Royal Government of Bhutan, hereinafter referred to as the Employer on one part, and (Name of person) representing the (Name of Bidder) as the other part hereby execute this agreement as follows:

This agreement should be a part of the tender document, which shall be signed and submitted along with the tender document. The head of the employing agency/or his authorized representative should be the signing authority. For the bidders, the bidder himself or his authorized representative must sign the Integrity pact (IP). If the winning bidder had not signed during the submission of the bid, the tender shall be cancelled.

2 Objectives

Now, therefore, the Employer and bidder agree to enter into this pre-contract agreement, hereinafter referred to as integrity pact, to avoid all forms of corruption by following a system that is fair, transparent and free from any influence/unprejudiced dealings prior to, during and subsequent to the currency of the contract to be entered into, with a view to: -

- 2.1 Enabling the Employer to obtain the desired contract at a reasonable and competitive price in conformity to the defined specifications of the works, goods and services; and
- 2.2 Enabling bidders to abstain from bribing or any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also refrain from bribing and other corrupt practices and the Employer will commit to prevent corruption, in any form by their officials by following transparent procedures.

3 Commitments of the Employer:

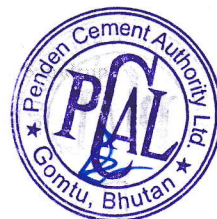
The Employer Commits itself to the following: -

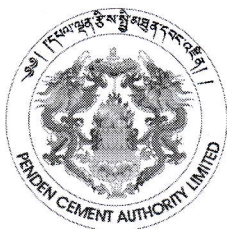
- 3.1 The Employer hereby undertakes that no official of the Employer, connected directly or indirectly with the contract, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favor or any material or immaterial benefit or any other advantage from the bidder, either for themselves or for any person, organization or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to the Contract.
- 3.2 The Employer further confirms that its officials has not favored any prospective bidder in any form that could afford an undue advantage to that particular bidder during the tendering stage, and will further treat all bidders alike.
- 3.3 All the officials of the Employer shall report to the head of the employing agency or an appropriate Government office any attempted or completed violation of clauses 3.1 and 3.2.

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- 3.4 Following report on violation of clauses 3.1 and 3.2 by official (s), through any source, necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings may be initiated by the Employer and such a person shall be debarred from further dealings related to the contract process such a case while an enquiry is being conducted by the Employer the proceedings under the contract would not be stalled.

4 Commitments of Bidders

The Bidder commits himself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of his bid or during any pre-contract or post-contract stage in order to secure the contract or in furtherance to secure it and in particular commits himself to the following: -

- 4.1 The Bidder will not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favor, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the Employer, connected directly or indirectly with the bidding process, or to any person, organization or third party related to the contract in exchange for any advantage in the bidding, evaluation, contracting and implementation of the Contract.
- 4.2 The Bidder further undertakes that he has not given, offered or promised to give, directly or indirectly any bribe, gift, consideration, reward, favor, any Material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the or forbearing to do or having done any act in relation to the obtaining or execution of the contract or any other contract with the Government for showing or forbearing to show favor or disfavor to any person in relation to the contract or any other contract with
- 4.3 The Bidder will not collude with other parties interested in the contract to preclude the competitive bid price, impair the transparency, fairness and progress of the bidding process, bid evaluation, contracting and implementation of the contract.
- 4.4 The Bidder, either while presenting the bid or during pre-contract Negotiations or before signing the contract shall disclose any payments he has made, is committed to or intends to make to officials of the Employer of their family members, agents, brokers or any other intermediaries in connection with the contract and the details of services agreed upon for such payments.

5 Sanctions for Violation

The breach of any aforesaid provisions or providing false information by Employers, including manipulation of information by evaluations, shall face administrative charges and penal actions as per the existing relevant rules and laws. The breach of the pact or providing false information by the Bidder, or any one employed by him, or acting on his behalf (whether with or without the knowledge of the Bidder), or the commission of any offence by the Bidder, or any one, employed by him, or acting on his behalf, shall be dealt with as per the provisions of the penal Code of Bhutan, 2004, and the Anti-Corruption Act, 2006. The Employer/relevant agency shall also take all or any one of the following actions, wherever required: -

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- 5.1 To immediately call off the pre-contract negotiations without giving any compensation to the bidder. However, the proceedings with the other Bidder(s) would continue.
- 5.3 To immediately cancel the contract, if already awarded/signed, without giving any compensation to the Bidder.
- 5.4 The Earnest Money/Security Deposit shall stand forfeited.
- 5.5 To recover all sums already paid by the Employer.
- 5.6 To encash the advance bank guarantee and performance bond/warranty bond, if furnished by the Bidder, in order to recover the payments, already made by the Employer, along with interest.
- 5.7 To cancel all or any other contracts with the Bidder. To debar the Bidder from entering into any bid from the government of Bhutan as per the Department Rule.

6 Conflict of Interest

- 6.1 A conflict of interest involves a conflict between the public duty and private interests (for favor or vengeance) of a public official, in which the public official has private interest which could improperly influence the performance of their official duties and responsibilities. Conflict of interest would arise in a situation when any concerned members of both the parties are related either directly or indirectly, or has any tender committee member must be declared in the prescribed form (attached).
- 6.2 The Bidder shall not lend to or borrow any money from or enter into any Monetary dealings or transactions, directly or indirectly, with any committee member, and if he does so, the Employer shall be entitled forthwith to rescind the contract and all other contracts with the Bidder.

7 Examination of Books of Accounts

- 7.1 In case of any allegation of violation of any provisions of this integrity pact or payment of commission, the Employer/authorized persons or relevant agencies shall be entitled to examine the Books of Accounts of the Bidder and the Bidder shall provide necessary information of the relevant financial documents and shall extend all possible help for the purpose of such examination.

8. Monitoring and Arbitration

The respective procuring agency shall be responsible for monitoring and arbitration of IP as per the procurement Rules.

9. Legal Actions

The actions stipulated in this integrity pact are without prejudice to any other legal action that may follow in accordance with the provisions of the extant law in force relating to any civil or criminal proceedings.

10. Validity

- 10.1 The validity of this integrity pact shall cover the tender process and extend until the completion of the contract to the satisfaction of both the Employer and the Bidder.

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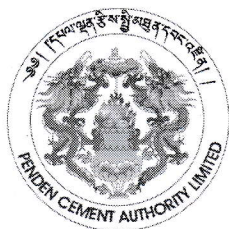
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10.2 should one or several provisions of this pact turn out to be invalid; the remainder of this pact remains valid. In this case, the parties will strive to come to an agreement to their original intentions. We, hereby declare that we have read and understood the clauses of this agreement and shall abide by it. Further, the information provided in this agreement is true and correct to the best of our knowledge and belief.

The parties hereby sign this integrity pact at.....on.....

BIDDER:

EMPLOYER:

Signature:

Signature:

Name: Name:

NOTE:

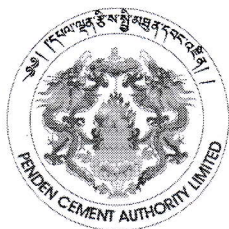
Interested bidder(s) may obtain further information on the Bid directly from Project Manager at ugyenphuntsho@pendencement.bt may contact during office hours at 00975-17667116 or may contact Head- Supply Chain Division at nbgurung@pendencement.bt or may contact during office hours at 00975-17650880.



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