

GENERAL TERMS

The bidders are expected to examine all instructions, forms, terms, conditions and specifications attached / included in the tender documents. Failure to furnish all information required by the tender documents or submission of a bid not substantially responsive to the tender documents will be at the bidder's risk and may result in the rejection of their bid.

1. CLARIFICATION TO BIDS

- 1.1 If bidders have any doubts as to the meaning of any portion of this tender, they should when submitting their bid, set out in their covering letter, the interpretation upon which they rely.
- 1.2 No bidder will be permitted to alter his bid after the bids have been opened, but clarifications not altering substance of his bid may be solicited and / or accepted. No bidder will be asked or required to alter the substance of his bid.
- 1.3 It is the intention of Sui Northern Gas Pipelines Limited to deal directly with manufacturers of equipments and the suppliers of services, in order to obtain the lowest prices.
- 1.4 Offers may be submitted by authorized accredited representative alongwith their principal's offer. In case where the principals have to obtain supplies from manufacturers, a letter from the manufacturers must be enclosed with the quotations authorizing the principals to quote on their behalf failing which the bid is liable to be disqualified. The whole responsibility for the supply and performance will be that of the manufacturers and supplier of goods.
- 1.5 All deviations from or exceptions to, or qualifications of specifications shall be clearly stated separately in the proposals.
- 1.6 **Bidders are required to attach all the required enclosures of the tender enquiry duly filled in, signed / stamped alongwith the bid, failing which your offer(s) will not be considered for evaluation.**

2. REJECTION OF BIDS

- 2.1 Sui Northern Gas Pipelines Limited reserve the right to reject any or all bids which do not meet the intent of the specifications or where there is evidence of lack of competition or where the lowest bid exceeds the cost estimate by an amount which in the opinion of Sui Northern Gas Pipelines Limited is sufficient to justify such a cause.
- 2.2 The Company does not bind itself to accept the lowest or any particular tender or any part of a tender, nor it will be responsible for or pay the expenses or losses which may be incurred by any tenderer, in the preparation of his tender and in case the tender is cancelled.
- 2.3 For the purpose of comparison and bids evaluation, all prices quoted in the bids shall be converted into Pakistan Rupees at the exchange rates published by the State Bank of Pakistan on the date of tender opening.

3. DOCUMENTS ESTABLISHING / BIDDER'S ELIGIBILITY & QUALIFICATIONS

- 3.1 The Purchaser shall determine to its satisfaction based upon an examination of the documentary evidence of manufacturer's financial, technical and production capabilities submitted by the bidder alongwith its bid. Pursuant to the following as well as any other information as the purchaser may deem necessary and appropriate:-
- (a) The documentary evidence of the Bidder's eligibility to bid shall establish to the Purchaser's satisfaction that the Bidder at the time of submission of its bid is from an eligible source country as defined under clause 12.
 - (b) That, in the case of a bidder offering to supply goods under the contract which the bidder did not manufacture or otherwise produce the bidder has been duly authorized by the goods manufacturer or producer to supply the goods in Purchaser's country.
 - (c) That, in the case of a bidder not doing business within the Purchaser's country the bidder is or will be (if possible) capable of carrying out its obligations with regard to maintenance, repair and spare parts supply prescribed by the Conditions of the Contract and / or Technical Specifications.
 - (d) That the bidder provides manufacturer's annual report, audited, financial report as well as other confirmation as the purchaser deem necessary and appropriate to determine bidder's capabilities to perform satisfactorily.
- 3.2 (a) The Purchaser shall determine to its satisfaction whether the supplier / manufacturer selected as having submitted the responsive bid is qualified and has the capability and resources to satisfactorily perform the contract.
- (b) The bidder offering goods of foreign origin (outside Pakistan) shall furnish references (name and address and telex / telefax number / Email of atleast five (5) end users outside manufacturers country to whom the bidder supplied / exported goods for the last five (5) years similar to those being offered in this tender as to quantity, quality and service(s) called for herein and from the same manufacturer in the case of goods against international tender enquiries. Simply submitting a list of customers, to whom the manufacturer has been supplying various goods, will not meet the intent and purpose of this requirement. This information must form a part of the bid and the bidder are not encouraged to submit any of these information subsequently after public opening of the bids failure to comply with this requirement is likely to make the bid subject to rejection.
 - (c) The bidder shall provide documentary evidence of in the line of manufacturing of the offered items for the last (5) years.
- 3.3 Quotations from bidders, who are determined to have previously in Sui Northern's judgment committed default in respect of any of its obligations against any of our previous contracts on them, will not be entertained.

An affirmative determination will be a prerequisite for award of the contract to the bidder. A negative determination will result in rejection of the bidder's bid

in which event, the Purchaser will proceed to the next lowest evaluated bid to make a similar determination of the bidder's capabilities to perform satisfactorily.

4 LATE DELIVERY CHARGES

- (a) The contract / order will include a clause on Late Delivery Charges. This interalia will state that if the materials, as given in the order, have not been shipped as per stipulated in the contract, except on account of Force Majeure, within the delivery period given in the contract Sui Northern Gas Pipelines Limited shall be entitled to recover 1% (One percent) of the total value of the contract price (for local suppliers total value of the purchase order excluding GST) of the delayed part of the material for each week of delay by way of Late Delivery Charges and not by way of penalty subject to a maximum of 10% of the total value of the delayed part of the material.
- (b) Performance Warranty Bond Guarantee must be submitted within 15 days after receipt of purchase order as per clause 18 of the tender. Delay in L/C operativeness due to delay in submission of PWBG shall not affect delivery in any way. Further cut off date for the L/D charges calculation will be calculated after giving 21 days from receipt of order to the local agent (15 days of PWBG plus 6 days to and fro postage).
- (c) The payment of such Late Delivery Charges shall not relieve the supplier from performing and fulfilling its obligations under the contractor nor will be corresponding rights and entitlements of Sui Northern be affected to reduce in any manner.
- (d) Whenever Late Delivery Charges become payable, Sui Northern Gas Pipelines Limited shall quantify the same and serve a written notice upon the supplier requiring immediate payment thereof. If the supplier fails to remit payment within 30 days of receipt of such notice to be served under registered postal cover, Sui Northern Gas Pipelines Limited will become entitled to recover the same forthwith by calling upon the Performance Warranty Bond Guarantee. Any with-drawls by way of Late Delivery Charges by the supplier within 90 days of receipt for the above referred notice by way of amendment to the Performance Warranty Bond Guarantee failing which the remaining portion of this Guarantee would become encashable in favour of the Buyer on account of any such failure.

5 TERMINATION OF CONTRACT

In case a contract / order is placed on the basis of this tender enquiry Sui Northern Gas Pipelines Limited may without prejudice to any other remedy for breach of contract, by written notice of default sent to the supplier terminate the Contract and cancel the letter of credit in whole or in part:

- (a) If the supplier fails to deliver any or all of the goods within the time period(s) specified in the Contract / Order, or any extension thereof granted by Sui Northern Gas Pipelines Limited.
- (b) If the supplier fails to perform any other obligations(s) under contract/order, or.

- (c) If the supplier, in either of the above circumstances, does not cure its failure within a period of 30 days after receipt of the default notice from Sui Northern.
- 6 In the event Sui Northern terminates the contract in whole or in part, pursuant to para 5 Sui Northern may procure, upon such terms and in such manner as it deems appropriate, goods similar to those undelivered, and the supplier shall be liable to Sui Northern or any excess cost for such contract to the extent not executed.

7 **FORCE MAJEURE**

Notwithstanding any provision to the contrary contained for damages a part shall not be deemed in default of the provisions of the contract / order for failure to perform or delay in the performance of obligations assumed by such party pursuant hereto in so far as the said affected party can clearly establish that its performance has been prevented or delayed by force majeure. The term "Force Majeure" as employed herein shall mean acts of Government in their sovereign capacity, riots, strikes, lock outs, fires occurring in the supplier's establishment, political disturbance, mobilization, wars, unprecedented flood, storms, hurricanes or other acts of God.

If a party wishes to claim relief by reasons of Force Majeure, it shall within ten days of its occurrence serve a written notice of occurrence of such a force majeure on the other party through registered mail. The two parties shall consult each other and agree upon the measures to be taken as soon as the force majeure ends. The affected party shall promptly resume performance of its obligations under the agreements and intimate the other party about this.

8 **TRANSPORTATION**

- 8.1 Where the supplier is required under the contract to deliver the goods on FOB, transport of the goods, upto and including the point from where the goods can be put on the vessel at the specified port of loading, shall be arranged and paid for by the supplier, and the cost thereof shall be included in the contract price.
- 8.2 Where the supplier is required under the contract to deliver the goods of CFR or to a specified destination within the country, transport of goods to the port of discharge of such other point in Pakistan as shall be specified in the contract shall be arranged and paid for by the supplier and the cost there of shall be include in the contract price.
- 8.3 Where the supplier is required to affect delivery under any other terms, for example by port or to another address in the source country, the supplier shall be required to meet all transport and storage expenses until delivery alongside the ship.
- 8.4 In all of the above cases transportation of the goods after delivery shall be the responsibility of the purchaser.
- 8.5 In case purchase order is placed on FOB basis and if the gross weight and / or volume of the final consignment(s) turns out to be more than the gross weight and volume quoted in the offer, SNGPL in the case, will reserve the right to recover the additional freight charges from the successful bidder on whom the order is placed.

8.6 All ocean consignments would be required to be shipped to Sui Northern Gas Pipelines Limited PIDC House, Dr. Zia-ud-Din-Ahmed Road, Karachi (Pakistan) and not to Lahore. Shipment / dispatch detail are to be confirmed by telex/telefax.

8.7 Ages of vessel carrying the consignment should not be over 15 years in case of chartered vessels and 25 years in case of other vessels belonging to regular shipping line and playing as liner.

8.8 Shipment on deck shall not be allowed.

8.9 Shipment through "Post Parcel" is also not allowed.

9 **INSPECTION**

(a) Mill Test Certificate and Mill Inspection Certificate will be required for which no additional cost will be paid (where applicable).

(b) Pre shipment inspection by our third party inspectors.

Notwithstanding the requirement of para (a) as above, we reserve the right to have the item(s) inspected at supplier's works before dispatch by a third party at our own cost. It shall, however, not absolve the suppliers to supply the goods according to the specifications of the purchase order.

(c) The cost of additional intervention to inspect stores offered at the supplier's works at more than on location and to inspection replacement of stores rejected in the first intervention or due to stores not being ready as advised will be payable by the supplier. The same shall also apply to the loading supervision when supervision of loading is stipulated in purchase order.

10 **SHIPPING DOCUMENTS BY SEA**

(a) Advance copies of the following shipping documents in quintuplicate, with number and date of the contract would be required to reach at least 7 days before the expected arrival of the vessel at Karachi at the address Sui Northern Gas Pipelines Limited PIDC House, Dr. Zia-ud-Din-Ahmed Road, Karachi (Pakistan):- Ph: # 021-35682055, Fax 021-35683651.

- i) Non-negotiable Clean Bill of lading showing actual freight to pay basis.
- ii) Supplier's signed invoice (showing separately value of each item) duly signed in ink.
- iii) Signed packing list showing measurement, quality and weight of packages and their numbers.
- iv) Freight memo.
- v) Inspection Certificate.
- vi) Guarantee Certificate.

IN CASE OF AIR DESPATCH

Destination of all Air Consignments will be Lahore or Karachi, advance copies of the following shipping documents in quintuplicate with number and date of this contract (purchase order) should be sent to us on this same day on booking of the consignment through courier service and also to be faxed on the same day.

ADVANCE SHIPPING DOCUMENTS

- i) Airway Bill showing actual freight
 - ii) Shipper's signed invoice (showing separate value of each item) duly signed in ink.
 - iii) Signed packing list showing measurement quantity and weight of packages and their numbers.
 - iv) Inspection Certificate.
 - v) Guarantee Certificate.
- (b) The above documents would be required to be dispatched through courier services to the address mentioned at para (a) above under an intimation to us.
- (c) Any payment of custom duty and sales tax on account of incorrect shipping documents and any demurrage / fine / penalty caused at the port of discharge owing to either incorrect shipping documents or receipt of shipping documents after arrival of the vessel will be to seller's account.

11 PACKING / PROTECTION

Packing must be sufficiently robust enough to withstand rough handling during ocean shipment and up-country journey, protection of the paint and equipment against corrosion / deterioration ingress of sea / water must be given special attention.

12 STANDARDS

12.1 Where tests are to be undertaken and where reference is made to National / International Testing Standards the defined test procedure must be adopted. In case any alternate test is suggested the bidder in that case must provide complete literature in English on the suggested testing standards.

12.2 Where definition is given in terms of specific National / International Testing Standards, these should be taken as every close approximation of the requirements to be met.

12.3 In case where the Metric of Foot-Pond-Second (FPS) system is specified only those standards will be acceptable and no alternative will be considered.

12.4 No reconditioned equipment or any part of the ordered material shall be accepted by the purchaser and all equipments supplied must be attached with certificate from the manufacturers / suppliers authenticating that only new and genuine equipments(s) and spares parts have been supplied.

13 ARBITRATION / RESOLUTION OF DISPUTES

13.1 Any difference or dispute arising out of or in connection with the contract between the purchaser and the supplier which cannot be amicably resolved shall be referred to Arbitration in Lahore, Pakistan of two Arbitrators one to be appointed by each party of such difference / dispute and to an Umpire to be appointed by the Arbitrators. The Umpire shall be retired judge of a High Court or the Supreme Court of Pakistan. Such Arbitrators and Umpire shall together proceed to adjudicate the dispute in accordance with the Pakistan Arbitration Act, 1940 as amended from time to time.

13.2 Prior to the exercising of any right by the purchaser or supplier to terminate the contract under the conditions stipulated above, a written notice shall be required to be given to the other party specifying such default(s) and calling for submission of an explanation within seven (7) days of receipt of such notice. If such explanation is not furnished within the stipulated time or if so furnished, is found to be unsatisfactory, and the default(s) continues, the contract may be terminated with notice to the other party before outerring upon the reference.

13.3 The agreement shall be governed by Pakistan Law and the arbitration language shall be English.

13.4 During the course of arbitration, the supplier shall not suspend the performance of his responsibilities and allegations under the Contract unless authorized by the purchaser in writing to do so.

14 In tender where acquisition of services are involved the word "goods" wherever appearing in the tender enquiry shall also imply "SERVICES" if required.

15. QUALITY ASSURANCE MANUALS

Please provide quality assurance manual and evidence of adequate testing facilities at your works. Please note that such a facility may be subject to inspection by a third party appointed inspectors.

All the terms and conditions of this tender enquiry would be made a part of our purchase order if placed on you against this tender enquiry, and the material supplied against that purchase order would be required to be in conformity with the stipulation provided in this tender enquiry.

16. BID CURRENCIES

16.1 The prices shall be quoted either in the currency of the foreign Bidder's home country, or in US dollar or any freely convertible currency.

16.2 Further a bidder expecting to incur a portion of its expenditures in the performance of the Contract in more than one currency and wishing to be paid accordingly shall so indicate in its bid. In such a case either (i) the bid shall be expressed in different currencies and the respective amounts in each currency together making up the total price, or (ii) the total bid price shall be expressed in one currency and payments required in other currencies expressed as a percentage of the bid price along with the exchange rate used in such calculation.

17. BID EVALUATION CRITERIA

17.1 The technical specification and commercial terms and conditions attached to the tender enquiry shall form the basis for selection/rejection of the bids.

17.2 Delivery period mentioned in the schedule of requirement shall also form the basis of the bids.

17.3 The lowest quotation out of the bids meeting the technical specification and commercial terms and condition of the tender shall be accepted for placement of purchase order.