
BIDDING DOCUMENT (SINGLE-STAGE)

Issued on: **January 3 2011**

For the

Procurement of

*Supply & installation of
software and hardware
technology*

IFB No: RMA-RSEBL-1

Project: *Private Sector Development(PSD)*

Purchaser: *RMA, Bhutan*

CONTENTS

Invitation for Bids (IFB)	5
Table of Clauses.....	8
Section II. Bid Data Sheet (BDS)	45
Section III. Eligible Countries for the Provision of Goods, Works, and Services in Bank-Financed Procurement	61
Eligible Countries for the Provision of Goods, Works, and Services in Bank-Financed Procurement	62
Section IV. General Conditions of Contract	63
Table of Clauses.....	63
Section V. Special Conditions of Contract (SCC)	137
Table of Clauses.....	138
Section VI. Technical Requirements (including Implementation Schedule)	157
Table of Contents: Technical Requirements.....	158
1.2.1.1 <i>Infrastructure Development</i>	164
1.2.1.2 <i>Exchange System (Software Application)</i>	165
4.2 Current System.....	197
4.2.1 <i>Trading Application</i>	197
4.2.2 <i>Infrastructure</i>	198
Section VII. Sample Forms	209
Notes to Bidders on working with the Sample Forms	210
Table of Sample Forms	213

INVITATION FOR BIDS (IFB)

Invitation for Bids (IFB) from International & National Bidders

January 3 2011

[Bhutan]

Private Sector Development

H307-BHU

Supply and installation of Software and Hardware technology

RMA-RSEBL-1

This Invitation for Bids (IFB) follows the General Procurement Notice (GPN) for this project that appeared in UNDB online on 24th September 2007.

2. The *Kingdom of Bhutan has received a Grant* from the ***International Development Association*** toward the cost of *Private Sector Development*, and it intends to apply part of the proceeds of this *grant* to payments under the agreement(s) resulting from this IFB: Supply and Installation of Software and Hardware Technology, RMA-RSEBL-1.
3. The Royal Monetary Authority of Bhutan serves as the implementing agency for the project and now invites sealed bids from eligible Bidders for supply & installation of software and hardware technology for Royal Securities Exchange of Bhutan Ltd.
4. Bidding will be conducted using the International Competitive Bidding (ICB) procedures specified in the World Bank's Guidelines: Procurement under IBRD Loans and IDA Credits, edition of May 2004 revised during October 2006 and May 2010 and is open to all Bidders eligible as defined in these Guidelines that meet the following minimum qualification criteria
 - Companies with registration for providing software development, consultancy and hardware suppliers are eligible for bidding.
 - The Bidder/Supplier should be an established Information Technology company/ IT System Integrator and should have been in the business for a period exceeding three years as on the date of opening of bids.
 - During the past four (4) years, the Bidder must have completed two (2) successful contracts involving the development, installation, and provision of technical support for Information Systems of similar functional/technical characteristics such as development of custom software or customization of software similar to the complexity of the exchange system described in the BID document.

- The Bidder should provide financial turn over for last 2 years. The turnover amount should be more than USD 300,000 for last two years.
5. Interested eligible Bidders may obtain further information from Royal Monetary Authority of Bhutan and inspect the bidding documents at the address given below from 9:00- 16:00 hours. A pre-bid meeting which potential bidders may attend will be held on February 7th 2011.
 6. A complete set of bidding documents in English may be downloaded from www.rma.org.bt or www.rsebl.org.bt. However, the bidders are requested to register for the bidding at the RMA, Administration and Finance Department. For downloading the bidding documents, the RMA requires a nonrefundable fee for an amount of Nu. 1000. Prior registration is required for submitting clarification questions on the bidding documents and receiving automatic notice of answers and of addenda to the bidding documents. The downloadable version of the bidding documents, and any addenda to it, will be the binding one. A set of hard copy of the bidding documents may be purchased by interested Bidders, from 3rd January 2011- 30th March 2011, on submission of a written application to the address below and upon payment of a nonrefundable fee of Nu. 1000. The method of payment will be cash or DD in the name of Royal Monetary Authority of Bhutan. The document can be also sent by post and for courier services extra amount of Nu 3000 will be charged.
 7. Bids must be delivered to the address below at or before 11 :00 AM, 31st March 2011. ***Bids need to be secured by bid security. The amount of Bid Security required is Ngultrum 200,000/- (Two Hundred Thousand only) or an equivalent amount in a freely convertible currency.*** Late bids will be rejected. Bids will be opened in the presence of Bidders' representatives who choose to attend at the address below at 11:30 pm, 31st March 2011.
 8. The attention of prospective Bidders is drawn to (i) the fact that they will be required to certify in their bids that all software is either covered by a valid license or was produced by the Bidder and (ii) that violations are considered fraud, which can result in ineligibility to be awarded World Bank-financed contracts.

Director

Administration and Finance Department

Royal Monetary Authority of Bhutan

Chhophel Lam, Kawajangsa, P.O Box: 154

Thimphu, Bhutan

Phone: +975-323111, +975-323112 Ext: 103

Fax: +975-322847

Table of Clauses

A. General.....	10
1. Scope of Bid and Bidding Process.....	10
2. Source of Funds	10
3. Fraud and Corruption.....	11
4. Eligible Bidders	13
5. Eligible Goods and Services	14
6. Qualifications of the Bidder.....	15
7. Cost of Bidding	18
8. Site Visit	18
B. The Bidding Documents.....	18
9. Content of Bidding Documents	18
10. Clarification of Bidding Documents and Pre-bid Meeting.....	19
11. Amendment of Bidding Documents	20
C. Preparation of Bids	20
12. Language of Bid.....	20
13. Documents Comprising the Bid.....	20
14. Bid Prices	22
15. Bid Currencies	25
16. Documents Establishing the Conformity of the Information System to the Bidding Documents	25
17. Securing the Bid.....	26
18. Period of Validity of Bids.....	28
19. Format and Signing of Bid.....	29
D. Submission of Bids	30
20. Sealing and Marking of Bids	30
21. Deadline for Submission of Bids	30
22. Late Bids	30
23. Withdrawal, Substitution, and Modification of Bids.....	30
E. Bid Opening and Evaluation	32
24. Opening of Bids by Purchaser	32
25. Clarification of Bids.....	33
26. Preliminary Examination of Bids.....	33
27. Conversion to Single Currency.....	34
28. Evaluation and Comparison of Bids	34
29. Domestic Preference	40
30. Contacting the Purchaser	40
F. Postqualification and Award of Contract	40
31. Postqualification	40
32. Award Criteria	41

33. Purchaser's Right to Vary Quantities at Time of Award.....	41
34. Purchaser's Right to Accept Any Bid and to Reject Any or All Bids.....	41
35. Notification of Award.....	41
36. Signing of Contract.....	42
37. Performance Security.....	42
38. Adjudicator	42

Instructions to Bidders

A. GENERAL

-
- 1. Scope of Bid and Bidding Process**
- 1.1 The Purchaser named in the BDS and the SCC for GCC Clause 1.1 (b) (i), or its duly authorized Purchasing Agent if so **specified in the BDS** (interchangeably referred to as “the Purchaser” in these Bidding Documents), invites bids for the supply and installation of the Information System (IS), as briefly **described in the BDS** and specified in greater detail in these Bidding Documents.
- 1.2 The title and identification number of the Invitation for Bids (IFB) and resulting Contract(s) are **provided in the BDS**.
- 1.3 Throughout the Bidding Documents, the term "in writing" means communicated in written form (e.g. by mail, e-mail, fax, telex) with proof of receipt, and the term "days" means calendar days unless a different meaning is evident from the context.
- 1.4 If the BDS so provides, alternative procedures forming part or all of what is commonly known as e-Tendering are available to the extent **specified in, or referred to by, the BDS**.
- 2. Source of Funds**
- 2.1 The **Borrower named in the BDS** has applied for or received a loan or credit (as identified in the BDS, and called a “loan” in these Bidding Documents) from the International Bank for Reconstruction and Development or the International Development Association (called “the Bank” in these Bidding Documents) equivalent to the amount indicated in the BDS toward the cost of the Project specified in the BDS. The Borrower intends to apply a portion of the proceeds of this loan to eligible payments under the Contract for which these Bidding Documents are issued.
- 2.2 Payment by the Bank will be made only at the request of the Borrower, or the Borrower’s executing agency, and upon approval by the Bank in accordance with the terms and conditions of the Loan Agreement, and will be subject in all respects to the terms and conditions of that agreement. The Loan Agreement prohibits a withdrawal from the loan account for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the knowledge of the Bank, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations. No party other than the Borrower shall derive

any rights from the Loan Agreement or have any claim to the loan proceeds.

3. Fraud and Corruption

3.1 It is the Bank's policy to require that Borrowers (including beneficiaries of Bank loans), as well as bidders, suppliers, and contractors and their subcontractors under Bank-financed contracts, observe the highest standard of ethics during the procurement and execution of such contracts.¹ In pursuance of this policy, the Bank:

- (a) defines, for the purposes of this provision, the terms set forth below as follows:
 - (i) "corrupt practice"² is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
 - (ii) "fraudulent practice"³ is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
 - (iii) "collusive practice"⁴ is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
 - (iv) "coercive practice"⁵ is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
 - (v) "obstructive practice" is
 - (aa) deliberately destroying, falsifying, altering or

¹ In this context, any action taken by a bidder, supplier, contractor, or a sub-contractor to influence the procurement process or contract execution for undue advantage is improper.

² "Another party" refers to a public official acting in relation to the procurement process or contract execution]. In this context, "public official" includes World Bank staff and employees of other organizations taking or reviewing procurement decisions.

³ A "party" refers to a public official; the terms "benefit" and "obligation" relate to the procurement process or contract execution; and the "act or omission" is intended to influence the procurement process or contract execution.

⁴ "Parties" refers to participants in the procurement process (including public officials) attempting to establish bid prices at artificial, non competitive levels.

⁵ A "party" refers to a participant in the procurement process or contract execution.

concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or

(bb) acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for under sub-clause 3.1 (e) below.

- (b) 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;
- (c) will cancel the portion of the loan allocated to a contract if it determines at any time that representatives of the Borrower or of a beneficiary of the loan engaged in corrupt, fraudulent, collusive, or coercive practices during the procurement or the execution of that contract, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur;
- (d) will sanction a firm or individual, including declaring ineligible, either indefinitely or for a stated period of time, to be awarded a Bank-financed contract if it at any time determines that the firm has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a Bank-financed contract; and
- (e) will have the right to require that a provision be included in bidding documents and in contracts financed by a Bank loan, requiring bidders, suppliers, and contractors and their sub-contractors to permit the Bank to inspect their accounts and records and other documents relating to the bid submission and contract performance and to have them audited by auditors appointed by the Bank.

3.2 Furthermore, Bidders shall be aware of the provision stated in Clause 9.8 and Clause 41.2 of the General Conditions of Contract.

- 3.3 Any communications between the Bidder and the Purchaser related to matters of alleged fraud or corruption must be made in writing.
- 3.4 By signing the Bid Submission Form, the Bidder represents that it either is the owner of the Intellectual Property Rights in the hardware, software or materials offered, or that it has proper authorization and/or license to offer them from the owner of such rights. For the purpose of this Clause, Intellectual Property Rights shall be as defined in GCC Clause 1.1 (c) (xvii). Willful misrepresentation of these facts shall be considered a fraudulent practice subject to the provisions of Clauses 3.1 through 3.4 above, without prejudice of other remedies that the Purchaser may take.

4. Eligible Bidders

- 4.1 A Bidder, and all parties constituting the Bidder, may have the nationality of any country, subject to the restrictions specified in Section III, Eligible Countries. 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.
- 4.2 If a prequalification process has been undertaken for the Contract(s) for which these Bidding Documents have been issued, only those Bidders may participate that had been prequalified and continue to meet the eligibility criteria of this Clause. A prequalified Joint Venture may not change partners or its structure when submitting a bid.
- 4.3 A firm may be excluded from bidding if:
 - (a) it was engaged by the Purchaser to provide consulting services for the preparation of the design, specifications, or other documents to be used for the procurement of the Information System described in these Bidding Documents; or
 - (b) it is a government-owned enterprise in the Borrower's country, unless it can establish that it (i) is legally and financially autonomous and (ii) operates under commercial law. No dependent agency of the Borrower or Sub-Borrower shall be permitted to bid.
- 4.4 A firm that has been determined to be ineligible by the Bank in relation to the Bank Guidelines On Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants shall be not be eligible to be awarded a

contract.

- 4.5 A firm or individual is or will be disqualified from participation in this bidding if, at any time from advertisement of the bidding until and including contract award, the firm or individual is under:
- (a) a suspension by the Purchaser agreed by the Bank as a result of execution of a Bid-Securing Declaration pursuant to ITB Clause 17.6 in another Bank-financed procurement, or under a suspension by the Purchaser for other reasons that have been agreed by the Bank; or
 - (b) a declaration of ineligibility by the Bank in accordance with ITB Clause 3.1 (d). The list of individuals and firms debarred from participating in World Bank projects is available at <http://www.worldbank.org/debarr/>, or
 - (c) a sanction imposed by the United Nations Security Council, as mentioned in ITB Clause 2.2.
- 4.6 A firm or other entity that is ineligible according to any of the above provisions of this Clause, may also not participate as a Joint Venture partner, or as Subcontractor for or supplier of goods, works or services. If a bid becomes materially incomplete after removing ineligible entities, the bid may be disqualified.
- 4.7 Bidders shall provide such evidence of their continued eligibility satisfactory to the Purchaser, as the Purchaser shall reasonably request.

5. Eligible Goods and Services

- 5.1 For the purposes of these Bidding Documents, the Information System means all:
- (a) the required information technologies, including all information processing and communications-related hardware, software, supplies, and consumable items that the Supplier is required to supply and install under the Contract, plus all associated documentation, and all other materials and goods to be supplied, installed, integrated, and made operational (collectively called “the Goods” in some clauses of the ITB); and
 - (b) the related software development, transportation, insurance, installation, customization, integration, commissioning, training, technical support, maintenance, repair, and other services necessary for proper operation of

the Information System to be provided by the selected Bidder and as specified in the Contract.

- 5.2 Funds from Bank loans are disbursed only for expenditures for an Information System made up of goods and services provided by nationals of, and produced in or supplied from, eligible source countries as defined in Section III, Eligible Countries. An Information System is deemed to be produced in a certain country when, in the territory of that country, through software development, manufacturing, or substantial and major assembly or integration of components, a commercially recognized product results that is substantially different in basic characteristics or in purpose or utility from its components.
- 5.3 For purposes of this clause, the nationality of the Bidder is distinct from the country in which the Information System and its goods components are produced or from which the related services are supplied.

6. Qualifications of the Bidder

- 6.1 By submission of documentary evidence in its bid, the Bidder must establish to the Purchaser's satisfaction:
- (a) that it has the financial, technical, and production capability necessary to perform the Contract, meets the qualification criteria **specified in the BDS**, and has a successful performance history. If a prequalification process has been undertaken for the Contract(s) for which these Bidding Documents have been issued, the Bidder shall, as part of its bid, update any information submitted with its application for prequalification;
- (For the purposes of establishing a Bidder's qualifications, and unless stated to the contrary in the BDS, the experience and / or resources of any Subcontractor will not contribute to the Bidder's qualifications; only those of a Joint Venture partner will be considered.)
- (b) that, in the case of a Bidder offering to supply key goods components of the Information System, as **identified in the BDS**, that the Bidder does not itself produce, the Bidder is duly authorized by the producer to supply those components in the Purchaser's country under the Contract(s) that may result from this bidding; (This will be accomplished by including Manufacturer's Authorizations in the bid, based on the sample found in Section VII.)

- (c) that, if a Bidder proposes Subcontractors for key services if and as **identified in the BDS**, these Subcontractors have agreed in writing to serve for the Bidder under the Contract(s) that may result from this bidding; and
 - (d) that, in the case of a Bidder not doing business within the Purchaser's country, the Bidder is or will be (if awarded the Contract) represented by an Agent in that country who is equipped and able to carry out the Bidder's maintenance, technical support, training, and repair obligations prescribed in the General and Special Conditions of Contract, and/or Technical Requirements.
- 6.2 Bids submitted by a Joint Venture of two or more firms as partners shall also comply with the following requirements:
- (a) the bid shall be signed so as to be legally binding on all partners;
 - (b) one of the partners shall be nominated as being in charge, and this nomination shall be evidenced by submitting a power of attorney signed by legally authorized signatories of all the partners;
 - (c) the partner in charge shall be authorized to incur liabilities and receive instructions for and on behalf of any and all partners of the Joint Venture, and the entire execution of the Contract, including payment, shall be done exclusively with the partner in charge;
 - (d) the partner or combination of partners that is responsible for a specific component of the Information System must meet the relevant minimum qualification criteria for that component;
 - (e) a firm may submit bids either as a single Bidder on its own, or as partner in one, and only one, Joint Venture. If, as a result of the bid opening pursuant to ITB Clause 24, this requirement is not met, all bids involving the firm as a single Bidder or Joint Venture partner will be disqualified;
 - (f) all partners of the Joint Venture shall be liable jointly and severally for the execution of the Contract in accordance with the Contract terms, and a statement to this effect shall be included in the authorization mentioned under ITB Clause 6.2 (b) above, in the bid as well as in the Contract (in case of a successful bid).

- 6.3 If a Bidder intends to subcontract major items of supply or services, it shall include in the bid details of the name and nationality of the proposed Subcontractor for each of those items and shall be responsible for ensuring that any Subcontractor proposed complies with the requirements of ITB Clause 4, and that any Goods or Services components of the Information System to be provided by the Subcontractor comply with the requirements of ITB Clause 5 and the related evidence required by ITB Clause 13.1 (e) (iii) is submitted. Bidders are free to list more than one Subcontractor against each item. Quoted rates and prices will be deemed to apply, whichever Subcontractor is appointed, and no adjustment of the rates or prices will be permitted. The Purchaser reserves the right to delete any proposed Subcontractor from the list. This shall be done prior to Contract signature, by deleting such unacceptable Subcontractors from Appendix 3 to the Contract Agreement, which shall list the approved Subcontractors for each item prior to Contract signature. Subsequent additions and deletions from the list of approved Subcontractors shall be performed in accordance with GCC Clause 20 (as revised in the SCC, if applicable) and Appendix 3 to the Contract Agreement.

For the purposes of these Bidding Documents, a Subcontractor is any vendor or service provider with whom the Bidder contracts for the supply or execution of any part of the Information System to be provided by the Bidder under the Contract (such as the supply of major hardware, software, or other components of the required Information Technologies specified, or the performance of related Services, e.g., software development, transportation, installation, customization, integration, commissioning, training, technical support, maintenance, repair, etc.).

- 6.4 A firm which is a Bidder, whether as a single Bidder or as a partner in a Joint Venture, cannot be a Subcontractor in other bids, except for the supply of commercially available hardware or software by the firm, as well as purely incidental services such as installation/configuration, routine training, and ongoing maintenance/support. If the BDS for ITB Clause 6.1 (a) allows the qualification of Subcontractors nominated for certain components to be taken into account in assessing the Bidder's overall qualifications, any Subcontractor so nominated by any Bidder is automatically disqualified from being a Bidder itself or a partner in a Joint Venture. The same will normally apply to firms that have provided Subcontractor agreements for certain services pursuant to ITB Clause 6.1 (c). Non-compliance may

result in the rejection of all bids in which the affected firm participates as Bidder or as partner in a Joint Venture. As long as in compliance with these provisions, or as long as unaffected by them due to not participating as Bidder or as partner in a Joint Venture, a firm may be proposed as a Subcontractor in any number of bids. If the BDS for ITB 28.1 permits the submission of bids for Subsystems, lots, or slices, then the provisions of this Clause 6.4 apply only to bids for the same Subsystem(s), lot(s), or slice(s);

- 7. Cost of Bidding** of 7.1 The Bidder shall bear all costs associated with the preparation and submission of its bid, and the Purchaser will in no case be responsible or liable for those costs.
- 8. Site Visit** 8.1 The Bidder may wish to visit and examine the site or sites of the Information System and obtain for itself, at its own responsibility and risk, all information that may be necessary for preparing the bid and entering into the Contract. The costs of visiting the site or sites shall be at the Bidder's own expense.
- 8.2 The Purchaser will arrange for the Bidder and any of its personnel or agents to gain access to the relevant site or sites, provided that the Bidder gives the Purchaser adequate notice of a proposed visit of at least fourteen (14) days. Alternatively, the Purchaser may organize a site visit or visits concurrently with the pre-bid meeting, as specified in the BDS for ITB Clause 10.2. Failure of a Bidder to make a site visit will not be a cause for its disqualification.
- 8.3 No site visits shall be arranged or scheduled after the deadline for the submission of the Bids and prior to the award of Contract.

B. THE BIDDING DOCUMENTS

- 9. Content of Bidding Documents** of 9.1 The contents of the Bidding Documents are listed below and should be read in conjunction with any addenda issued in accordance with ITB Clause 11:
- | | |
|-------------|---|
| Section I | Instructions to Bidders (ITB) |
| Section II | Bid Data Sheet (BDS) |
| Section III | Eligible Countries for the Provision of Goods, Works, and Services in Bank-Financed Procurement |

Section IV	General Conditions of Contract (GCC)
Section V	Special Conditions of Contract (SCC)
Section VI	Technical Requirements (including Implementation Schedule)
Section VII	Sample Forms

- 9.2 Bidders are expected to examine all instructions, forms, terms, specifications, and other information in the Bidding Documents. Failure to furnish all information required by the Bidding Documents or to submit a bid not substantially responsive to the Bidding Documents in every respect will be at the Bidder's risk and may result in the rejection of its bid.
- 9.3 The Invitation for Bids is not formally part of the Bidding Documents and is included for reference only. In case of inconsistencies, the actual Bidding Documents shall prevail.

10. Clarification of Bidding Documents and Pre-bid Meeting

- 10.1 A prospective Bidder requiring any clarification of the Bidding Documents may notify the Purchaser in writing at the Purchaser's address and by one of the means **indicated in the BDS**. Similarly, if a Bidder feels that any important provision in the documents will be unacceptable, such an issue should be raised as soon as possible. The Purchaser will respond in writing to any request for clarification or modification of the Bidding Documents that it receives no later than twenty-one (21) days prior to the deadline for submission of bids prescribed by the Purchaser. Copies of the Purchaser's response (including an explanation of the query but not identifying its source) will be sent to all prospective Bidders that received the Bidding Documents from the Purchaser.
- 10.2 When **specified in the BDS**, the Purchaser will organize and Bidders are welcome to attend a pre-bid meeting at the time and place **indicated in the BDS**. The purpose of the meeting will be to clarify issues and answer questions on any matter that may be raised at this stage, with particular attention to issues related to the Technical Requirements. Bidders are requested to submit any questions in writing to reach the Purchaser not later than one week before the meeting. Questions and answers will be transmitted in accordance with ITB Clause 10.1. Minutes of the meeting, including the questions raised and responses given, together with any responses prepared after the meeting, will be transmitted without delay to all those that received the Bidding Documents from the Purchaser. Any modification to the Bidding Documents listed in ITB Clause 9.1, which may

become necessary as a result of the pre-bid meeting, shall be made by the Purchaser exclusively by issuing an Addendum pursuant to ITB Clause 11 and not through the minutes of the pre-bid meeting.

- 11. Amendment of Bidding Documents**
- 11.1 At any time prior to the deadline for submission of bids, the Purchaser may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Bidder, amend the Bidding Documents. Later amendments on the same subject modify or replace earlier ones.
- 11.2 Amendments will be provided in the form of Addenda to the Bidding Documents, which will be sent in writing to all prospective Bidders that received the Bidding Documents from the Purchaser. Addenda will be binding on Bidders. Bidders are required to immediately acknowledge receipt of any such Addenda. It will be assumed that the amendments contained in such Addenda will have been taken into account by the Bidder in its bid.
- 11.3 In order to afford prospective Bidders reasonable time in which to take the amendment into account in preparing their bids, the Purchaser may, at its discretion, extend the deadline for the submission of bids, in which case, the Purchaser will notify all Bidders in writing of the extended deadline.

C. PREPARATION OF BIDS

- 12. Language of Bid**
- 12.1 The bid prepared by the Bidder and all correspondence and documents related to the bid exchanged by the Bidder and the Purchaser shall be written in the **language specified in the BDS**, or, if the BDS so provides, in either one of two languages specified there. Any printed literature furnished by the Bidder as part of its bid may be in a language not specified in the BDS, as long as such literature is accompanied by a translation of its pertinent passages into the language of the bid, in which case, for purposes of interpretation of the bid, the translation shall govern.
- 13. Documents Comprising the Bid**
- 13.1 The bid submitted by the Bidder shall comprise:
- (a) Bid Submission Form completed and signed by a person or persons duly authorized to bind the Bidder to the Contract;
 - (b) all Price Schedules duly completed in accordance with ITB Clauses 14, 15, and 18 and signed by a person or persons

duly authorized to bind the Bidder to the Contract;

- (c) if required, Bid-securing Declaration or Bid Security furnished in accordance with ITB Clause 17;
- (d) written confirmation authorizing the signatory of the bid to commit the Bidder, in accordance with ITB Clause 19.2;
- (e) Attachments:

- (i) Attachment 1: Bidder's Eligibility

- In the absence of prequalification, documents establishing to the Purchaser's satisfaction the Bidder's eligibility to bid, including but not limited to documentary evidence that the Bidder is legally incorporated in a territory of an eligible source country as defined under ITB Clause 4;

- (ii) Attachment 2: Bidder's Qualifications

- Documentary evidence establishing to the Purchaser's satisfaction, and in accordance with ITB Clause 6, that the Bidder is qualified to perform the Contract if its bid is accepted. In the case where prequalification of Bidders has been undertaken, and pursuant to ITB Clause 6.1 (a), the Bidder must provide evidence on any changes in the information submitted as the basis for prequalification or, if there has been no change at all in said information, a statement to this effect;

- Any Manufacturer's Authorizations and Subcontractor agreements specified as required in the BDS for ITB Clauses 6.1 (b) and 6.1 (c);

- (iii) Attachment 3: Eligibility of Goods and Services

- Documents establishing, to the Purchaser's satisfaction, that the Goods and Services components of the Information System to be supplied, installed, and/or performed by the Bidder are eligible Goods and Services as defined under ITB Clause 5. If awarded the Contract, the Bidder shall submit for such components of the Information System evidence of eligibility, which shall be confirmed by a certificate of origin issued at the time of shipment;

- (iv) Attachment 4: Conformity of the Information System

to the Bidding Documents

Documentary evidence establishing to the Purchaser's satisfaction, and in accordance with ITB Clause 16, that the Goods and Services components of the Information System to be supplied, installed, and/or performed by the Bidder conform to the Bidding Documents;

(v) Attachment 5: Proposed Subcontractors

A list of all major items of Goods or Services that the Bidder proposes to purchase or subcontract from others, and the name and nationality of the proposed Subcontractor, including vendors, for each of those items;

(vi) Attachment 6: Intellectual Property

A list of:

(1) all Software included in the Bidder's bid, assigning each item to one of the software categories defined in GCC Clause 1.1 (c):

(A) System, General Purpose, and Application Software; and

(B) Standard and Custom Software.

(2) all Custom Materials, as defined in GCC Clause 1.1 (c), included in the Bidder's bid.

All Materials not identified as Custom Materials shall be deemed Standard Materials, as defined in GCC Clause 1.1 (c).

Re-assignments among the Software and Materials categories, if necessary, will be made during the implementation of the Contract according to GCC Clause 39 (Changes to the System).

14. Bid Prices

14.1 All Goods and Services identified in the Supply and Installation Cost Sub-Table and the Recurrent Cost Sub-Table in Section VII (Forms 2.5 and 2.6), and all other Goods and Services proposed by the Bidder to fulfill the requirements of the Information System, must be priced separately in the format of the same tables and summarized in the corresponding Cost Summary Tables in the same Section. Prices must be quoted in accordance with the instructions provided in Section VII for the

various cost tables, in the manner specified below.

- 14.2 The price of items that the Bidder has left blank in the cost tables provided in Section VII shall be assumed to be included in the price of other items. Items omitted altogether from the cost tables shall be assumed to be omitted from the bid and, provided that the bid is substantially responsive, an adjustment to the bid price will be made during evaluation in accordance with ITB Clause 28.6 (c) (iii).
- 14.3 Unit prices must be quoted at a level of detail appropriate for calculation of any partial deliveries or partial payments under the contract, in accordance with the Implementation Schedule in Section VI, and with GCC and SCC Clause 12 – Terms of Payment. Bidders may be required to provide a breakdown of any composite or lump-sum items included in the Cost Tables.
- 14.4 The prices for Goods components of the System are to be expressed and shall be defined and governed in accordance with the rules prescribed in the edition of Incoterms **specified in the BDS**, and quoted in the appropriate columns of the cost tables of Section VII as follows:
 - (a) Goods supplied from outside the Purchaser's country:

Unless otherwise **specified in the BDS**, the prices shall be quoted on a CIP (named place of destination) basis, exclusive of all taxes, stamps, duties, levies, and fees imposed in the Purchaser's country. The named place of destination and special instructions for the contract of carriage are as **specified in the BDS**. In quoting the price, the Bidder shall be free to use transportation through carriers registered in any eligible countries. Similarly, the Bidder may obtain insurance services from any eligible source country.
 - (b) Locally supplied Goods:

Unit prices of Goods offered from within the Purchaser's Country, shall be quoted on an EXW (ex factory, ex works, ex warehouse or off-the-shelf, as applicable) basis, including all customs duties, levies, fees, sales and other taxes incurred until delivery of the Goods, but excluding all VAT or sales and other taxes and duties/fees incurred for the Goods at the time of invoicing or sales transaction, if the Contract is awarded.
 - (c) Inland transportation:

Unless otherwise **stated in the BDS**, inland transportation, insurance and related local costs incidental to the delivery of the Goods to the designated Project Sites must be quoted separately as a Service item in accordance with ITB Clause 14.5, whether the Goods are to be supplied locally or from outside the Purchaser's country, except when these costs are already included in the price of the Goods, as is, e.g., the case, when ITB Clause 14.4 (a) specifies CIP, and the named places of destination are the Project Sites.

- 14.5 The price of Services shall be quoted in total for each service (where appropriate, broken down into unit prices), separated into their local and foreign currency components. Prices must include all taxes, duties, levies and fees whatsoever, except only VAT or other indirect taxes, or stamp duties, that may be assessed and/or apply in the Purchaser's country on/to the price of the Services invoiced to the Purchaser, if the Contract is awarded. Unless otherwise **specified in the BDS**, the prices must include all costs incidental to the performance of the Services, as incurred by the Supplier, such as travel, subsistence, office support, communications, translation, printing of materials, etc. Costs incidental to the delivery of the Services but incurred by the Purchaser or its staff, or by third parties, must be included in the price only to the extent such obligations are made explicit in these Bidding Documents (as, e.g., a requirement for the Bidder to include the travel and subsistence costs of trainees).
- 14.6 Prices for Recurrent Costs beyond the scope of warranty services to be incurred during the Warranty Period, defined in SCC Clause 29.4 and prices for Recurrent Costs to be incurred during the Post-Warranty Period, defined in SCC Clause 1.1. (e) (xii), shall be quoted as Service prices in accordance with ITB Clause 14.5 on the Recurrent Cost Sub-Table in detail, and on the Recurrent Cost Summary Table in currency totals. Recurrent costs are all-inclusive of the costs of necessary Goods such as spare parts, software license renewals, labor, etc., needed for the continued and proper operation of the System and, if appropriate, of the Bidder's own allowance for price increases.
- 14.7 Unless otherwise **specified in the BDS**, prices quoted by the Bidder shall be fixed during the Bidder's performance of the Contract and not subject to increases on any account. Bids submitted that are subject to price adjustment will be rejected.

- 15. Bid Currencies** 15.1 Prices shall be quoted in the following currencies:
- (a) The Bidder may quote its prices for all Information Technologies, associated Goods, and Services to be supplied from outside the Purchaser's Country in the currencies of countries eligible according to Section III. If the Bidder wishes to be paid in a combination of different currencies, it must quote unit prices accordingly, but no more than three foreign currencies may be used.
 - (b) Unless otherwise **specified in the BDS**, the Bidder shall express its prices for such Information Technologies, associated Goods, and Services to be supplied locally (i.e., from within the Purchaser's Country) in the currency of the Purchaser's Country.
- 16. Documents Establishing the Conformity of the Information System to the Bidding Documents** 16.1 Pursuant to ITB Clause 13.1 (e) (iv), the Bidder shall furnish, as part of its bid, documents establishing the conformity to the Bidding Documents of the Information System that the Bidder proposes to supply and install under the Contract.
- 16.2 The documentary evidence of conformity of the Information System to the Bidding Documents shall be in the form of written descriptions, literature, diagrams, certifications, and client references, including:
- (a) the Bidder's technical bid, i.e., a detailed description of the Bidder's proposed technical solution conforming in all material aspects with the Technical Requirements (Section VI) and other parts of these Bidding Documents, overall as well as in regard to the essential technical and performance characteristics of each component making up the proposed Information System;
 - (b) an item-by-item commentary on the Purchaser's Technical Requirements, demonstrating the substantial responsiveness of the Information System offered to those requirements. In demonstrating responsiveness, the commentary shall include explicit cross references to the relevant pages in the supporting materials included in the bid. Whenever a discrepancy arises between the item-by-item commentary and any catalogs, technical specifications, or other preprinted materials submitted with the bid, the item-by-item commentary shall prevail;
 - (c) a Preliminary Project Plan describing, among other things, the methods by which the Bidder will carry out its overall management and coordination responsibilities if awarded

the Contract, and the human and other resources the Bidder proposes to use. The Plan should include a detailed Contract Implementation Schedule in bar chart form, showing the estimated duration, sequence, and interrelationship of all key activities needed to complete the Contract. The Preliminary Project Plan must also address any other topics **specified in the BDS**. In addition, the Preliminary Project Plan should state the Bidder's assessment of what it expects the Purchaser and any other party involved in the implementation of the Information System to provide during implementation and how the Bidder proposes to coordinate the activities of all involved parties;

- (d) a written confirmation that the Bidder accepts responsibility for the successful integration and interoperability of all components of the Information System as required by the Bidding Documents.

16.3 For purposes of the commentary to be furnished pursuant to ITB Clause 16.2 (b), the Bidder shall note that references to brand names or model numbers or national or proprietary standards designated by the Purchaser in its Technical Requirements are intended to be descriptive and not restrictive. Except where explicitly **prohibited in the BDS** for specific items or standards, the Bidder may substitute alternative brand/model names or standards in its bid, provided that it demonstrates to the Purchaser's satisfaction that the use of the substitute(s) will result in the Information System being able to perform substantially equivalent to or better than that specified in the Technical Requirements.

17. Securing the Bid

17.1 The BDS for this Clause specifies whether bids must be secured, and if so, whether by a Bid-Securing Declaration or by a Bid Security. If a Bid Security is required or optional, the **BDS also specifies the amount**.

17.2 Securing the bids shall be substantially in accordance with the related sample forms included in Section VII or other forms approved by the Purchaser prior to bid submission. Bids must remain secured for a period of 28 days beyond the validity period of the bids, as extended, if applicable, in accordance with ITB Clause 18.2. In case of a Bid Security, it shall also:

- (a) at the Bidder's option, be in the form of either a certified check, letter of credit, or a bank guarantee from a banking

institution, or a bond issued by a surety;

- (b) be issued by a reputable institution selected by the Bidder and located in any eligible country; if the institution issuing the security is located outside the Purchaser's Country, it shall have a correspondent financial institution located in the Purchaser's Country to make the security enforceable;
- (c) be payable promptly upon written demand by the Purchaser in case any of the conditions listed in ITB Clause 17.6 is/are invoked;
- (d) be submitted in its original form; copies will not be accepted.

17.3 The Bid-Securing Declaration or the Bid Security of a Joint Venture shall be issued in the name of the Joint Venture submitting the bid provided the Joint Venture has legally been constituted, or else it shall be issued in the name of all partners proposed for the Joint Venture in the bid. Sanctions due to a breach of the terms of a Bid-Securing Declaration pursuant to ITB Clause 17.6 will apply to all partners to the Joint Venture.

17.4 If a Bid-Securing Declaration or Bid Security is required in accordance with ITB Clause 17.1, any bid not accompanied by a substantially acceptable Bid-Securing Declaration or Bid Security in accordance with ITB Clauses 17.2 and 17.3, shall be rejected by the Purchaser as non-responsive.

17.5 Unless executed or forfeited pursuant to ITB Clause 17.6, Bid-Securing Declarations, if any, will expire for, or Bid Securities, if any, will be returned as promptly as possible to,

- (a) all Bidders upon annulment of the bidding pursuant to ITB Clause 34;
- (b) Bidders refusing a request to extend the period of validity of their bids pursuant to ITB Clause 18.2;
- (c) the successful Bidder once it has signed the Contract Agreement and furnished a valid Performance Security as required;
- (d) the unsuccessful Bidders at the same time as in (c), that is, when they are informed about the successful establishment of the contract with the successful Bidder.

17.6 The Bid-Securing Declaration, if any, may be executed, or the Bid Security, if any, may be forfeited:

- (a) if a Bidder withdraws its bid during the period of bid validity specified by the Bidder on the Bid Submission Form or any extension of validity the Bidder has agreed to pursuant to ITB Clause 18.2; or
- (b) in the case of the successful Bidder, if the Bidder fails to:
 - (i) sign the Contract Agreement in accordance with ITB Clause 36; or
 - (ii) furnish the Performance Security in accordance with ITB Clause 37.

17.7 If a bid security is **not required in the BDS**, and

- (a) if a Bidder withdraws its bid during the period of bid validity specified by the Bidder on the Letter of Bid Form, except as provided in ITB 18.2, or
- (b) if the successful Bidder fails to: sign the Contract in accordance with ITB 36; or furnish a performance security in accordance with ITB 37;

the Borrower may, **if provided for in the BDS**, declare the Bidder disqualified to be awarded a contract by the Employer for a period of time **as stated in the BDS**.

**18. Period
of
Validity
of
Bids**

18.1 Bids shall remain valid, at a minimum, for the period **specified in the BDS** after the deadline date for bid submission prescribed by the Purchaser, pursuant to ITB Clause 21. A bid valid for a shorter period shall be rejected by the Purchaser as non-responsive. For the convenience of Bidders, the BDS spells out the minimal original expiration dates for the validity of the bid and, if applicable pursuant to ITB Clause 17.1, for securing the bid. However, Bidders are responsible for adjusting the dates in the BDS in accordance with any extensions to the deadline date of bid submission pursuant to ITB Clause 21.2.

18.2 In exceptional circumstances, prior to expiry of the bid validity period, the Purchaser may request that the Bidders extend the period of validity for a specified additional period. The request and the responses to the request shall be made in writing. A Bidder may refuse the request without risking execution of the Bid-Securing Declaration or forfeiting the Bid Security, but in this case the bid will be out of the competition for the award. Except as provided in ITB Clause 18.3, a Bidder agreeing to the

request will not be required or permitted to modify its bid, but will be required to ensure that the bid remains secured for a correspondingly longer period, pursuant to ITB Clause 17.2.

18.3 In the case of fixed price contracts, if the award is delayed by a period exceeding fifty-six (56) days beyond the expiry of the initial bid validity, the contract price will be adjusted as specified in the request for extension. Bid evaluation will be based on the bid prices without taking into consideration the above correction.

**19. Format and
Signing of Bid**

19.1 The Bidder shall prepare an original and the number of copies/sets of the bid **specified in the BDS**, clearly marking each one as “ORIGINAL BID,” “COPY NO. 1,” “COPY NO. 2,” etc., as appropriate. In the event of any discrepancy between them, the original shall govern.

19.2 The original and all copies of the bid, each consisting of the documents listed in ITB Clause 13.1, shall be typed or written in indelible ink and shall be signed by a person or persons duly authorized to sign on behalf of the Bidder. The authorization must be in writing and included in the bid pursuant to ITB Clause 13.1 (d). The name and position held by each person signing the authorization must be typed or printed below the signature. All pages of the bid, except for unamended printed literature, shall be initialed by the person or persons signing the bid.

19.3 The bid shall contain no interlineations, erasures, or overwriting, except to correct errors made by the Bidder, in which case such corrections shall be initialed by the person or persons signing the bid.

19.4 The Bidder shall furnish in the Bid Submission Form (a sample of which is provided in the Sample Forms Section of the Bidding Documents) information regarding commissions or gratuities, if any, paid or to be paid to agents relating to this procurement and to the execution of the Contract should the Bidder be successful.

D. SUBMISSION OF BIDS

- 20. Sealing and Marking of Bids**
- 20.1 The Bidder shall seal the original and each copy of the bid in separate envelopes, duly marking the envelopes as “ORIGINAL BID” and “COPY NO. *[number]*.” The envelopes shall then be sealed in an outer envelope.
- 20.2 The inner and outer envelopes shall
- (a) be addressed to the Purchaser at the address **given in the BDS**, and
 - (b) bear the loan/Project name indicated in the BDS for ITB Clause 2.1, the Invitation for Bids title and number, and the Contract name(s), as indicated in the BDS for ITB Clause 1.2, and the statement “DO NOT OPEN BEFORE *[time and date]*,” to be completed with the time and date specified in the BDS for ITB Clause 24.1.
- 20.3 The inner envelopes shall also indicate the name and address of the Bidder so that the bid can be returned unopened in case it is declared “late.”
- 20.4 If the outer envelope is not sealed and marked as required by ITB Clause 20.2 above, the Purchaser will assume no responsibility for the bid’s misplacement or premature opening. If the outer envelope discloses the Bidder’s identity, the Purchaser will not guarantee the anonymity of the bid submission, but this disclosure will not constitute grounds for bid rejection.
- 21. Deadline for Submission of Bids**
- 21.1 Bids must be received by the Purchaser at the address specified in the BDS for ITB Clause 20.2 no later than the time and date **stated in the BDS**.
- 21.2 The Purchaser may, at its discretion, extend this deadline for submission of bids by amending the Bidding Documents in accordance with ITB Clause 11.3, in which case all rights and obligations of the Purchaser and Bidders will thereafter be subject to the deadline as extended.
- 22. Late Bids**
- 22.1 Any bid received by the Purchaser after the bid submission deadline prescribed by the Purchaser in the BDS for ITB Clause 21, will be rejected and returned unopened to the Bidder.
- 23. Withdrawal, Substitution, and**
- 23.1 The Bidder may withdraw, substitute, or modify its bid after submission, provided that written notice of the withdrawal, substitution, or modification is received by the Purchaser prior

Modification of Bids

to the deadline prescribed for bid submission. All notices must be duly signed by an authorized representative and shall include a copy of the authorization (the power of attorney) in accordance with ITB Sub-Clause 19.2.

23.2 All notices of withdrawal, substitution, or modification shall

- (a) be addressed to the Purchaser at the address named in the BDS for ITB Clause 20.2 (a), and
- (b) bear the Contract name, the IFB Title and IFB Number, and the words “BID WITHDRAWAL NOTICE”, “BID SUBSTITUTION NOTICE”, or “BID MODIFICATION NOTICE”.

23.3 A notice may also be sent by electronic means such as fax or e-mail, but in this case must include a scan of the mailing receipt showing both the sender's and receiver's addresses for the signed hardcopy of the notice, and a scan of the power of attorney.

23.4 Bids requested to be withdrawn in accordance with ITB 23.1 shall be returned unopened to the Bidders. Bid withdrawal notices received after the bid submission deadline will be ignored, and the submitted bid will be deemed to be a validly submitted bid.

23.5 The substitution or modification of the bid shall be prepared, sealed, marked, and dispatched as follows:

- (a) The Bidders shall provide an original and the number of copies specified in the BDS for ITB Clause 19.1 of any substitution or modification to its bid, clearly identified as such, in two inner envelopes duly marked “BID SUBSTITUTION -- ORIGINAL” or “BID MODIFICATION -- ORIGINAL” and “BID SUBSTITUTION -- COPIES” or “BID MODIFICATION -- COPIES.” The inner envelopes shall be sealed in an outer envelope, which shall be duly marked “BID SUBSTITUTION” or “BID MODIFICATION”.
- (b) Other provisions concerning the marking and dispatch of a bid substitution or modification shall be in accordance with ITB Clauses 20.2, 20.3, and 20.4.

23.6 No bid may be withdrawn, substituted, or modified in the interval between the bid submission deadline and the expiration of the bid validity period specified by the Bidder in the Bid Submission Form, or any extension thereof agreed to by the Bidder. Withdrawal of a bid during this interval may result in the execution of the Bid-Securing Declaration, if any, or

forfeiture of the Bid Security, if any, pursuant to ITB Clause 17.6.

E. BID OPENING AND EVALUATION

- 24. Opening of Bids by Purchaser**
- 24.1 The Purchaser will open all bids, including withdrawals, substitutions, and modifications, in public, in the presence of Bidders' representatives who choose to attend, at the time, on the date and at the place **specified in the BDS**. Bidders' representatives shall sign a register as proof of their attendance.
- 24.2 First, envelopes marked "BID WITHDRAWAL NOTICE" shall be opened and read out and the envelope with the corresponding bid shall not be opened, but 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. Next, envelopes marked "BID SUBSTITUTION NOTICE" shall be opened and read out and exchanged with the corresponding bid being substituted, and the substituted bid shall not be opened, but 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. Envelopes marked "BID MODIFICATION NOTICE" 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. Only bids that are opened and read out at bid opening shall be considered further.
- 24.3 Bids shall be opened one at a time, reading out: the name of the Bidder and whether there is a modification; the total bid price including any unconditional discounts, and, if applicable, the prices and unconditional discounts for Subsystems, lots, or slices; the presence or absence of a Bid-Securing Declaration or a Bid Security if one was required; any conditional discounts offered for the award of more than one Subsystem, lot, or slice, if the BDS for ITB Clause 28.1 permits such discounts to be considered in the bid evaluation; and any other such details as the Purchaser may consider appropriate.
- 24.4 Bids and modifications that are not opened and read out at bid opening shall not be considered for further evaluation, irrespective of the circumstances. These bids, including any bids validly withdrawn in accordance with ITB Clause 24.2, will

promptly be returned, unopened, to their Bidders.

24.5 The Purchaser will prepare minutes of the bid opening, including the information disclosed to those present in accordance with ITB Clause 24.3. The minutes will promptly be distributed to all Bidders that met the deadline for submitting bids.

25. Clarification of Bids

25.1 During the bid evaluation, the Purchaser may, at its discretion, ask the Bidder for a clarification of its bid. The request for clarification and the response shall be in writing, and no change in the price or substance of the bid shall be sought, offered, or permitted.

26. Preliminary Examination of Bids

26.1 The Purchaser will examine the bids to determine whether they are complete, whether any computational errors have been made, whether required sureties have been furnished, whether the documents have been properly signed, and whether the bids are generally in order. In the case where a prequalification process has been undertaken for the Contract(s) for which these Bidding Documents have been issued, the Purchaser will ensure that each bid is from a prequalified Bidder, and in the case of a Joint Venture, that partners and structure of the Joint Venture are unchanged from those in the prequalification.

26.2 Arithmetical errors will be rectified on the following basis. If there is a discrepancy between the unit price and the total price, which is obtained by multiplying the unit price and quantity, or between added or subtracted subtotals and totals, the unit or subtotal price shall prevail and the total price shall be corrected, unless in the opinion of the Purchaser there is an obvious misplacement of the decimal point in the unit or subtotal prices, in which case the line item total as quoted shall govern and the unit price or sub-total shall be corrected. If there is a discrepancy between words and figures, the amount in words will prevail, unless the discrepancy is the result of a typo/error for which the correction is self-evident to the Purchaser. If the Bidder with the Lowest Evaluated Bid does not accept the correction of errors, the bid shall be rejected.

26.3 The Purchaser may waive any minor informality, nonconformity, or irregularity in a bid that does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any Bidder.

26.4 Prior to the detailed evaluation, the Purchaser will determine whether each bid is of acceptable quality, is complete, and is

substantially responsive to the Bidding Documents. For purposes of this determination, a substantially responsive bid is one that conforms to all the terms, conditions, and specifications of the Bidding Documents without material deviations, exceptions, objections, conditionalities, or reservations. A material deviation, exception, objection, conditionality, or reservation is one: (i) that limits in any substantial way the scope, quality, or performance of the Information System; or (ii) that limits, in any substantial way that is inconsistent with the Bidding Documents, the Purchaser's rights or the successful Bidder's obligations under the Contract; or (iii) the acceptance of which would unfairly affect the competitive position of other Bidders who have submitted substantially responsive bids.

26.5 If a bid is not substantially responsive, it will be rejected by the Purchaser and may not subsequently be made responsive by the Bidder by correction of the nonconformity. The Purchaser's determination of bid responsiveness will be based on the contents of the bid itself.

27. Conversion to Single Currency 27.1 For evaluation and comparison purposes, the Purchaser shall convert all bid prices expressed in various currencies and amounts into a single currency **specified in the BDS**, using the selling exchange rate established by the source and on the date also **specified in the BDS**.

28. Evaluation and Comparison of Bids 28.1 The Purchaser will evaluate and compare the bids that have been determined to be substantially responsive, pursuant to ITB Clause 26. The evaluation will be performed assuming either that:

- (a) the Contract will be awarded to the lowest evaluated Bidder for the entire Information System; or
- (b) if **specified in the BDS**, Contracts will be awarded to the Bidders for each individual Subsystem, lot, or slice defined in the Technical Requirements whose bids result in the lowest combined evaluated price for the entire System.

In the latter case, discounts that are conditional on the award of more than one Subsystem, lot, or slice may be offered in bids. However, such discounts will only be considered in the price evaluation if so **confirmed in the BDS**.

28.2 To be considered for Contract award, Bidders must have submitted bids

- (a) for which detailed bid evaluation using the same standards

for compliance determination as listed in ITB Clauses 26.3 and 26.4 confirms that the bids are commercially and technically responsive, and include the hardware, Software, related equipment, products, Materials, and other Goods and Services components of the Information System in, substantially, the full required quantities for the entire Information System or, if allowed in the BDS for ITB Clause 28.1, the individual Subsystem, lot or slice bid on; and

- (b) that offer Information Technologies that are proven to perform up to the standards promised in the bid by having successfully passed the performance, benchmark, and/or functionality tests the Purchaser may require, pursuant to ITB Clause 31.2.

28.3 The Purchaser's evaluation of a bid will be made on the basis of prices quoted in accordance with ITB Clause 14 (Bid Prices).

28.4 If **indicated by the BDS**, the Purchaser's evaluation of responsive bids will take into account technical factors, in addition to cost factors. An Evaluated Bid Score (B) will be calculated for each responsive bid using the following formula, which permits a comprehensive assessment of the bid price and the technical merits of each bid:

$$B \equiv \frac{C_{low}}{C} X + \frac{T}{T_{high}} (1 - X)$$

where

C = Evaluated Bid Price

C_{low} = the lowest of all Evaluated Bid Prices among responsive bids

T = the total Technical Score awarded to the bid

T_{high} = the Technical Score achieved by the bid that was scored highest among all responsive bids

X = weight for the Price as **specified in the BDS**

The bid with the highest Evaluated Bid Score (B) among responsive bids shall be termed the Lowest Evaluated Bid and is eligible for Contract award, provided the Bidder was prequalified and/or it was found to be qualified to perform the Contract in accordance with ITB Clause 31 (Postqualification).

28.5 If, in addition to the cost factors, the Purchaser has chosen to give weight to important technical factors (i.e., the price weight, X, is less than 1 in the evaluation), that cannot be reduced to life-cycle costs or pass/fail criteria, the Total Technical Points assigned to each bid in the Evaluated Bid Formula will be determined by adding and weighting the scores assigned by an evaluation committee to technical features of the bid in accordance with the criteria set forth below.

- (a) The technical features to be evaluated are generally defined below and specifically **identified in the BDS**:
 - (i) Performance, capacity, or functionality features that either exceed levels specified as mandatory in the Technical Requirements; and/or influence the life-cycle cost and effectiveness of the Information System.
 - (ii) Usability features, such as ease of use, ease of administration, or ease of expansion, which influence the life-cycle cost and effectiveness of the Information System.
 - (iii) The quality of the Bidder's Preliminary Project Plan as evidenced by the thoroughness, reasonableness, and responsiveness of: (a) the task and resource schedules, both general and specific, and (b) the proposed arrangements for management and coordination, training, quality assurance, technical support, logistics, problem resolution, and transfer of knowledge, and other such activities as specified by the Purchaser in Section VI (Technical Requirements) or proposed by the Bidder based on the Bidder's experience.
- (b) Feature scores will be grouped into a small number of evaluation categories, generally defined below and specifically **identified in the BDS**, namely:
 - (i) The technical features that reflect how well the Information System meets the Purchaser's Business Requirements (including quality assurance and risk-containment measures associated with the implementation of the Information System).
 - (ii) The technical features that reflect how well the Information System meets the System's Functional

Performance Standards.

- (iii) The technical features that reflect how well the Information System meets the General Technical Requirements for hardware, network and communications, Software, and Services.
- (c) As **specified in the BDS**, each category will be given a weight and within each category each feature may also be given a weight.
- (d) During the evaluation process, the evaluation committee will assign each desirable/preferred feature a whole number score from 0 to 4, where 0 means that the feature is absent, and 1 to 4 either represent predefined values for desirable features amenable to an objective way of rating (as is the case for, e.g., extra memory, or extra mass storage capacity, etc., if these extras would be conducive for the utility of the system), or if the feature represents a desirable functionality (e.g., of a software package) or a quality improving the prospects for a successful implementation (such as the strengths of the proposed project staff, the methodology, the elaboration of the project plan, etc., in the bid), the scoring will be 1 for the feature being present but showing deficiencies; 2 for meeting the requirements; 3 for marginally exceeding the requirements; and 4 for significantly exceeding the requirements.
- (e) The score for each feature (i) within a category (j) will be combined with the scores of features in the same category as a weighted sum to form the Category Technical Score using the following formula:

$$S_j \equiv \sum_{i=1}^k t_{ji} * w_{ji}$$

where:

t_{ji} = the technical score for feature “i” in category “j”

w_{ji} = the weight of feature “i” in category “j”

k = the number of scored features in category “j”

and $\sum_{i=1}^k w_{ji} = 1$

- (f) The Category Technical Scores will be combined in a

weighted sum to form the total Technical Bid Score using the following formula:

$$T \equiv \sum_{j=1}^n S_j * W_j$$

where:

S_j = the Category Technical Score of category “j”

W_j = the weight of category “j” as **specified in the BDS**

n = the number of categories

and $\sum_{j=1}^n W_j = 1$

28.6 The Evaluated Bid Price (C) for each responsive bid will be determined as the sum of the Adjusted Supply and Installation Costs (P) plus the Recurrent Costs (R);

where the Adjusted Supply and Installation Costs (P) are determined as:

- (a) The price of the hardware, Software, related equipment, products, Materials and other Goods offered from within or from outside the Purchaser’s Country, in accordance with ITB 14.4; plus
- (b) The total price for all software development, transportation, insurance, installation, customization, integration, Commissioning, testing, training, technical support, repair, and other Services, in accordance with ITB 14.5;
- (c) with adjustments for:
 - (i) Deviations proposed to the Implementation Schedule in the Technical Requirements resulting in delayed completion of the entire Information System, if **permitted in the BDS** and provided they do not exceed the maximum permissible delay period **specified in the BDS**. For evaluation purposes, a pro rata increase of the total Supply and Installation Costs will be added using the percentage(s) **specified in the BDS** for each week of delay. Bids offering deliveries beyond the maximum permissible delay specified may be rejected.
 - (ii) Deviations taken to the Contract payment schedule

specified in the SCC. If deviations are **permitted in the BDS**, for evaluation purposes the total Supply and Installation Costs will be increased pro rata by the amount of interest that could otherwise be earned on the amount of any payments that would fall due under the proposed schedule earlier than the schedule stipulated in the SCC, at the interest rate **specified in the BDS**.

- (iii) Goods and Services that are required for the Information System but have been left out or are necessary to correct minor deviations of the bid will be added to the total Supply and Installation Costs using costs taken from the highest prices from other responsive bids for the same Goods and Services, or in the absence of such information, the cost will be estimated at prevailing list prices. If the missing Goods and Services are a scored technical feature, the relevant score will be set at zero.
 - (iv) Corrections to errors in arithmetic, in accordance with ITB Clause 26.2.
 - (v) Any discounts offered for the award of more than one Subsystem, lot, or slice, if the BDS for ITB Clause 28.1 permits the consideration of discounts in the price evaluation.
- (d) The Recurrent Costs (R) are reduced to net present value and determined using the following formula:

$$R \equiv \sum_{x=1}^{N+M} \frac{R_x}{(1+I)^x}$$

where

N = number of years of the Warranty Period, defined in SCC Clause 29.4

M = number of years of the Post-Warranty Services Period, as defined in SCC Clause 1.1.(e) (xii)

x = an index number 1, 2, 3, ... $N + M$ representing each year of the combined Warranty Service and Post-Warranty Service Periods.

R_x = total Recurrent Costs for year "x," as recorded in the Recurrent Cost Sub-Table.

I = discount rate to be used for the Net Present Value

calculation, as **specified in the BDS**.

- 29. Domestic Preference** 29.1 No margin of domestic preference will apply.
- 30. Contacting the Purchaser** 30.1 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 bid, it should do so in writing.
- 30.2 If a Bidder tries to directly influence the Purchaser or otherwise interfere in the bid evaluation process and the Contract award decision, its bid may be rejected.

F. POSTQUALIFICATION AND AWARD OF CONTRACT

- 31. Post-qualification** 31.1 The Purchaser will determine at its own cost and to its satisfaction whether the Bidder (including Joint Venture Partners, and any Subcontractors for which the BDS for ITB Clause 6.1 (a) permits that their qualifications count towards the required Bidder qualifications) that is selected as having submitted the Lowest Evaluated Bid is qualified to perform the Contract satisfactorily, in accordance with ITB Clause 6. If a prequalification process was undertaken for the Contract(s) for which these Bidding Documents were issued, the Purchaser will determine in the manner described above that no material changes have occurred after the prequalification that negatively affect the ability of the Bidder that has submitted the Lowest Evaluated Bid to perform the Contract.
- 31.2 Pursuant to ITB Clauses 6 and 16, and as additionally may be **specified in the BDS**, the determination will evaluate the Bidder's financial, technical, design, integration, customization, production, management, and support capabilities and will be based on an examination of the documentary evidence of the Bidder's qualifications, as well as other information the Purchaser deems necessary and appropriate. This determination may include visits or interviews with the Bidder's clients referenced in its bid, site inspections, and any other measures. If so **specified in the BDS**, at the time of postqualification the Purchaser may also carry out tests to determine that the performance or functionality of the Information System offered meets those stated in the Technical Requirements.
- 31.3 An affirmative postqualification determination will be a prerequisite for award of the Contract to the Lowest Evaluated 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 Bidder to make a similar determination of that Bidder's capabilities to perform satisfactorily.

32. Award Criteria

32.1 Subject to ITB Clause 34, the Purchaser will award the Contract to the Bidder whose bid has been determined to be substantially responsive and the Lowest Evaluated Bid, provided further that the Bidder has been determined to be qualified to perform the Contract satisfactorily, pursuant to ITB Clause 31.

33. Purchaser's Right to Vary Quantities at Time of Award

33.1 The Purchaser reserves the right at the time of Contract award to increase or decrease, by the percentage(s) **indicated in the BDS**, any of the following:

- (a) the quantity of substantially identical Subsystems; or
- (b) the quantity of individual hardware, Software, related equipment, Materials, products, and other Goods components of the Information System; or
- (c) the quantity of Installation or other Services to be performed,

from that originally specified in the Technical Requirements (as amended by any Addenda issued pursuant to ITB Clause 11), without any change in unit prices or other terms and conditions.

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

34.1 The Purchaser reserves the right to accept or reject any bid or to annul the bidding process and reject all bids at any time prior to Contract award, without thereby incurring any liability to the Bidders.

35. Notification of Award

35.1 Prior to the expiration of the period of bid validity, the Purchaser shall notify the successful Bidder, in writing, that its bid has been accepted.

35.2 Until a formal Contract is prepared and executed, the notification of award shall constitute a binding Contract.

35.3 The Purchaser shall promptly publish in UNDB online and in dgMarket the results, identifying the bid and lot numbers and the following information: (i) name of each Bidder who submitted a bid; (ii) bid prices as read out at bid opening; (iii) name, evaluated price and, if the bidding conditions included scoring for technical quality, the technical score of each bid that was evaluated; (iv) name of Bidders whose bids were rejected and

the reasons for their rejection; and (v) name of the winning Bidder, the price it offered, as well as the duration and summary scope of the contract awarded. After publication of the award, unsuccessful Bidders may make a request in writing to the Purchaser for a debriefing seeking explanations on the grounds on which their bids were not selected. The Purchaser shall promptly respond in writing to any unsuccessful Bidder who, after publication of contract award, requests a debriefing.

35.4 Upon the successful Bidder furnishing the signed Contract Agreement and the Performance Security pursuant to ITB Clause 37, the Purchaser will promptly notify each unsuccessful Bidder, and will discharge all remaining Bid Securities, if any, as provided in ITB Clause 17.5 (c) and (d).

36. Signing of Contract

36.1 At the same time as the Purchaser notifies the successful Bidder that its bid has been accepted, the Purchaser will send the Bidder the Contract Agreement provided in the Bidding Documents, incorporating all agreements between the parties.

36.2 As soon as practically possible, but no more than twenty-eight (28) days following receipt of the Contract Agreement, the successful Bidder shall sign and date it, and return it to the Purchaser.

37. Performance Security

37.1 As soon as practically possible, but no more than twenty-eight (28) days following receipt of notification of award from the Purchaser, the successful Bidder shall furnish the Performance Security in accordance with the GCC, using the Performance Security form provided in the Bidding Documents or another form acceptable to the Purchaser.

37.2 Failure of the successful Bidder to comply with the requirements of ITB Clause 36 or ITB Clause 37.1 shall constitute sufficient grounds for the annulment of the award and, if and as applicable, execution of the Bid-Securing Declaration or forfeiture of the Bid Security, in which event the Purchaser may make the award to the next lowest evaluated bid submitted by a qualified Bidder or call for new bids.

38. Adjudicator

38.1 Unless otherwise **stated in the BDS**, the Purchaser proposes that the person named in the BDS be appointed as Adjudicator under the Contract to assume the role of informal Contract dispute mediator, as described in GCC Clause 6. In this case, a résumé of the named person is **attached to the BDS**. The proposed hourly fee for the Adjudicator is **specified in the BDS**. The expenses that would be considered reimbursable to the

Adjudicator are also **specified in the BDS**. If a Bidder does not accept the Adjudicator proposed by the Purchaser, it should state its non-acceptance in its Bid Submission Form and make a counterproposal of an Adjudicator and an hourly fee, attaching a résumé of the alternative. If the successful Bidder and the Adjudicator nominated in the BDS happen to be from the same country, and this is not the country of the Purchaser too, the Purchaser reserves the right to cancel the Adjudicator nominated in the BDS and propose a new one. If by the day the Contract is signed, the Purchaser and the successful Bidder have not agreed on the appointment of the Adjudicator, the Adjudicator shall be appointed, at the request of either party, by the Appointing Authority specified in the SCC clause relating to GCC Clause 6.1.4, or if no Appointing Authority is specified there, the Contract will be implemented without an Adjudicator.

SECTION II. BID DATA SHEET (BDS)

Bid Data Sheet

The following specific information relating to the System to be procured and the procurement procedures that will be used shall complement, supplement, or amend the provisions in the Instructions to Bidders (ITB). Whenever there is a conflict, the provisions in the Bid Data Sheet (BDS) shall prevail over those in the ITB.

A. GENERAL

ITB 1.1	<p>Name of Purchaser: Royal Monetary Authority of Bhutan</p> <p>Name of authorized Purchasing Agent: None</p> <p>Description of the System for which bids are invited: The objective of this BID is to solicit proposals to provide Royal Securities Exchange of Bhutan Limited to develop and implement end-to-end solution for stock exchange including infrastructure for hosting of envisaged system. The software system will consist of comprehensive Broker Accounting facilities, trading engine, clearing and settlement functions and central depository capabilities. All the functions in the system will be seamlessly connected to each other for information flow and automatic execution of logic wherever applicable.</p>
ITB 1.2	<p>Title of IFB: <i>Supply and installation of software and hardware technology</i></p> <p>Number of IFB: <i>RMA-RSEBL-1</i></p> <p>Name of resulting Contract(s): Supply and installation of software and hardware technology</p>
ITB 1.4	<p>Alternative e-Tendering procedures <i>are not</i> available in this procurement.</p>
ITB 2.1	<p>Name of the Borrower: Royal Government of Bhutan</p> <p>Loan or credit number: H307-Bhu</p> <p>Loan or credit amount: In the amount of SDR 5.3 Million (US\$ 8.0 Million Equivalent)</p> <p>Name of Project: Private Sector Development</p>
ITB 6.1 (a)	<p>The bidder must possess the requisite experience, strength and capabilities in providing the services necessary to meet the requirements, as described in the bidding documents. The bidder must also possess the technical know-how and the financial</p>

<p>wherewithal that would be required to successfully provide the Information Technologies to the RSEBL. The bids must be complete in all respect and should cover the entire scope of work as stipulated in the bidding document. The bidder should meet the eligibility criteria as given below:</p>		
SL. NO	Clause	Minimum documents to be submitted as proof
1	Companies with registration for providing software development, consultancy and hardware suppliers are eligible for bidding.	Valid Business License issued from the authorized agency.
2	The Bidder/Supplier should be an established Information Technology company/ IT System Integrator and should have been in the business for a period exceeding three years as on the date of opening of bids. During the past four (4) years, the Bidder should have completed two (2) successful contracts involving the development, installation, and provision of technical support for Information Systems of similar functional/technical characteristics.	<ul style="list-style-type: none"> • Work order confirming area of activity. • Memorandum and articles of associations. • Client certificates
3	The Bidder should provide financial turn over for last 2 years. The turnover amount should be more than USD 300,000 for last two years.	Chartered Accountant certificate or Annual Financial statement for net worth turnover, etc copy of the audited profit and loss showing turnover of the company for last two years. In the case of joint venture the primary vendor shall meet 75% of the turnover and the rest will be for the partnering company
4	The Bidder should furnish,	The bid document should be

	<table border="1"> <tr> <td data-bbox="492 241 570 352"></td> <td data-bbox="570 241 959 352">as part of its bid, as bid security as specified in the bid document.</td> <td data-bbox="959 241 1365 352">in the format as prescribed in bid document.</td> </tr> </table>		as part of its bid, as bid security as specified in the bid document.	in the format as prescribed in bid document.			
	as part of its bid, as bid security as specified in the bid document.	in the format as prescribed in bid document.					
ITB 6.1 (b)	<p>Manufacturer's Authorizations for Information Technologies - except for those technologies which the Bidder itself manufactures - are required for the following types/categories:</p> <ol style="list-style-type: none"> 1. Routers and switches 2. Servers 3. All applicable Standard Software for operating system and database. 						
ITB 6.1 (c)	<p>If the Bidder proposes to use Subcontractors for the provision of certain key services, written agreements by the proposed firms to provide these services in case of contract(s) resulting from this bidding are required for either of the following types/categories of services:</p> <table border="1" data-bbox="586 1165 1365 1501"> <thead> <tr> <th data-bbox="586 1165 662 1241">Sl. No</th> <th data-bbox="662 1165 889 1241">Service Area</th> <th data-bbox="889 1165 1365 1241">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="586 1241 662 1501">1</td> <td data-bbox="662 1241 889 1501">Infrastructure Development</td> <td data-bbox="889 1241 1365 1501">supply of equipment, design network solutions, install and configure network components including servers for database server, application server and web server</td> </tr> </tbody> </table>	Sl. No	Service Area	Description	1	Infrastructure Development	supply of equipment, design network solutions, install and configure network components including servers for database server, application server and web server
Sl. No	Service Area	Description					
1	Infrastructure Development	supply of equipment, design network solutions, install and configure network components including servers for database server, application server and web server					

B. THE BIDDING DOCUMENTS

ITB 10.1	<p>Sangay Dorji Royal Monetary Authority Chhophel Lam, Kawajangsa Thimphu Bhutan. Phone: 323111, 323112, 323110 ext 105</p>
----------	---

	<p>Fax: 322487</p> <p>Email: sdorji@rma.org.bt</p>
ITB 10.2	Pre-bid meeting will be held on 7 th February 2011, 9:30 am at the Training hall of Royal Monetary Authority of Bhutan.

C. PREPARATION OF BIDS

ITB 12.1	The language of the bid and of all correspondence and documents related to it is: English
ITB 14.1	Recurrent cost items are Annual Maintenance Contract for both the bid areas. 5 years maintenance for the Exchange System after the warranty and 5 years warranty for the Infrastructure Development after the OEM warranty.
ITB 14.4	The Incoterms edition is <i>Incoterms 2000 — ICC Official Rules for the Interpretation of Trade Terms</i> published in September 1999 by the International Chamber of Commerce, 38 Cours Albert 1er, 75008 Paris, France.
ITB 14.4 (a)	<p>For foreign goods priced on a CIP (named place of destination) basis:</p> <p>(i) The contract of carriage shall include the cost of unloading the goods at destination, as well as payment by the Supplier of the cost of custom formalities, duties, taxes or other charges payable on the foreign Goods for their transit through any country other than the Purchaser's country.</p> <p>(ii) The named place of destination shall be the Royal Securities Exchange of Bhutan Ltd., Thimphu.</p>
ITB 14.4 (c)	None
ITB 14.5	None

ITB 14.7	Prices quoted by the Bidder shall be Fixed
ITB 15.1 (b)	The currency to be used for quoting prices of the Goods and Services components of the System offered locally (i.e., from within the Purchaser's Country), as well as local currency expenditures for local technical support, training, maintenance, transportation, insurance, and other local services incidental to delivery, installation and operation of the System, is: Ngultrum(Nu) and for foreign bidders the currency will be: USD
ITB 16.2 (c)	<p>In addition to the topics described in ITB Clause 16.2 (c), the Preliminary Project Plan must address the following topics:</p> <ol style="list-style-type: none"> 1. Supply of Networking and database hardware 2. Installation of the technical equipments (Hardware and third-party software) 3. Training of the hardware component 4. System Study and Analysis 5. Preparation of Software Requirement Specification (SRS) or Functional Specification(FS) 6. Design Application 7. Development /Coding 8. Data Migration 9. User Acceptance Testing 10. User Training 11. Implementing/ deployment / go live 12. Hand Holding 13. Warranty period
ITB 16.3	In the interest of effective integration, cost-effective technical support, and reduced re-training and staffing costs, Bidders are required to offer specific brand names and models for the

	<p>following limited number of specific items:</p> <ol style="list-style-type: none"> 1. Servers 2. Networking equipment 3. Database server
ITB 17.1	<p>Bids need to be secured <i>by a Bid Security</i></p> <p>The amount of Bid Security required is: Nu. 200,000.00</p>
ITB 17.7	<p>If the Bidder incurs any of the actions prescribed in ITB Clause 17.7 (a) or (b), the Borrower will declare the Bidder ineligible to be awarded contracts by the Employer for a period of 2 years.</p>
ITB 18.1	<p>The bid validity period shall be 120 days after the deadline for bid submission, as specified below in reference to ITB Clause 21. Accordingly, each bid shall be valid through 31st March 2011 till 9th July 2011.</p> <p>Accordingly, a bid with a <i>Bid Security</i> that expires before August 6th 2011 shall be rejected as non-responsive.</p>
ITB 19.1	<p>Required number of bid copies, besides the original:1</p>

D. SUBMISSION OF BIDS

ITB 20.2 (a)	<p>The address for bid submission is:</p> <p>Director, Administration and Finance Department Royal Monetary Authority, Chhophel Lam , Kawajangsa Bhutan. Phone: 323111, 323112, 323110 ext : 103 Fax: 322487</p>
--------------	---

ITB 21.1	Deadline for bid submission is: , 11:00 Am, 31st March 2011
----------	---

E. BID OPENING AND EVALUATION

ITB 24.1	Time, date, and place for bid opening are: 11:30 Am, 31st March 2011 at RMA Training Hall.
ITB 27.1	<p>The currency chosen for the purpose of converting to a common currency is: Ngultrum</p> <p>The source of exchange rate is: The Royal Monetary Authority of Bhutan</p> <p>The date of exchange rate determination is: <i>the last date of the submission of the response to this bid by the supplier/bidder i.e.. 31st March 2011</i></p> <p>In case that no exchange rates are available on this date from the source indicated above, the latest available exchange rates from the same source prior to this date will be used.</p>
ITB 28.1	Bids for Subsystems, lots, or slices of the overall Information System will not be accepted.
ITB 28.4	<p>The bid evaluation <i>will</i> take into account technical factors in addition to cost factors.</p> <p>The weight of the Price (“X” multiplied by 100 in the Evaluated Bid Score formula) = 30%</p>
ITB 28.5	<p>The following technical evaluation categories and the features shall be used & marked to evaluate the technical bids. All the bids scoring Total Technical score (points) of 60 and above of maximum points (100) in the technical evaluation will be qualified for further consideration for final evaluation. The bids scoring less than 60 points will be treated as non-responsive.</p> <p>The technical evaluation categories and the features to be evaluated within each category are as follows:</p> <ol style="list-style-type: none"> 1. Contractual Experience 2. Training plan 3. Allocated Resource Experience 4. Inclusion of Local Resources 5. Standard Certification

	<ol style="list-style-type: none"> 6. Domain specific Work Experience. 7. Resource having Domain specific Expertise 8. Post Production Support Plan 9. Solution Capabilities 10. Project Management Services / Methodology 11. Communication and Process Tracking Plan 12. Cost Competitiveness <p>Contractual Experience – Detailed assessment of the suppliers’ experience with regard to contracts executed for software development assignments. Suppliers are advised to provide references of previous contractual obligations in form of written documents or references to client’s testimonials in the web.</p> <p>Training – Purchaser shall assess the extent of training procedures adopted for the business and technical staff of the purchaser.</p> <p>Allocated Resource Experience – Client will assess experience of resources assigned for this project. The experience of Human resources as per the roles and responsibilities assigned for this project.</p> <p>Inclusion of Local Resources – Inclusion of local resources for development will be assessed with relevant experiences and task assignment to local human resources.</p> <p>Standard Certifications – Suppliers with certification of standards should provide references of all certifications and process standards practiced.</p> <p>Domain Specific Work Execution – Bidders should provide information on domain specific work execution for web based technology works, financial software applications and sock exchange operations related works.</p> <p>Resource with Domain specific Expertise -- The allocated</p>
--	---

resource should possess domain specific knowledge and experience as well.

Solution Capabilities – Proper understanding of the client requirements will have to be demonstrated in the proposed solution architecture.

Solution capabilities shall be assessed based on:

- Proposal – the solution design
- Oral Presentation and demonstration (if any)

Post Production Support Plan – Suppliers should provide adequate post production support plan including warranty support, AMC plan and Change Management Plan

Project Management Services / Methodology – Suppliers should provide project management services throughout the project lifecycle with proper communication plans, project scope management, knowledge management, etc. Suppliers should define several milestones in the project lifecycle. The project milestones should be realistic and comprehensive. Client will assess the milestones to see whether the milestones are realistic and can be used as basis for deliverables

The evaluation weights for categories and technical features within categories are:

Sl. No	Criteria		Score
1	Contractual Experience	Criteria	Score
		1-3 reference site where similar solutions were implemented	1-3=3 <3=4
		Size, scope and complexity of the reference project	2
		Customer	4

			satisfaction		
	2	Training Plan	Criteria	Scope	5
			Training plan proposed for technical staff	2	
			Training Schedule for Business and technical staff	1	
			Training coverage for all the bid areas	2	
	3	Allocated Resource Experience	Criteria	Score	10
			Experience of Project Manager in similar projects. (number of Projects)	1-3= 1 3-5=3 <5=4	
			Experience of Business analyst.(Number of Projects)	1-2=1 2-5=1.5 <5= 2	
			Experience of Developers (Number of Projects)	1-2=1 2-5=1.5 <5= 2	
			Experience of Infrastructure implementation similar to the scope of project(Number of Implementation)	1-2= 1 2-5= 1.5 <5=2	
	4	Inclusion Local Resource	Criteria	Score	5
Team members for Exchange system			1= 1 >1=3		

			Team Members for Infrastructure Development	>2=2	
	5	Standard Certification and History	Criteria	Score	10
			Relevant technical certification such as CMMI, ISO etc	3	
			Any awards in last 2 years	1	
			Number of employees	<50=1 >50=0.5	
			Number of Years of Existence	<8=1 <3=0.5	
			Financial Position including net revenue, turnover, etc	<300,000USD=5	
	6	Domain Specific Work Experience	Criteria	Score	10
			Suppliers	<5= 10	
			Experience working with Stock Exchange for the similar kind of project (Number of Stock exchange Client)	3-4=6 <1=5 1= 4	
	7	Resource with Domain specific expertise	Criteria	Score	5
			Experience of Project Manager working with stock	<3=3 2= 1 1= 0.5	

			Exchange(Number of projects handled for stock Exchange)		
			Experience of other resources working with more than one stock exchange.(Number of resource)	<4=2 2-3=1 <1=0.5	
	8	Solution Capabilities	Criteria	Score	30
			Bidder shall meet all the criteria explained in Exchange System.	5	
			Design, System Architecture, coding methodology for the exchange system.	10	
			Training and inclusion of the Purchasers technical team for coding, development, database and implementation	10	
			Meeting all requirements of Infrastructure Development.	5	
	10	Post Production Support Plan	Criteria	Scope	10
			Back to Back Support Agreements with OEM partners	2	

				Is support frame work based on worldwide standards such ITIL	1	
				Number of Employees dedicated for support	>5=2 2=3=1	
				At least one Support employees will be stationed onsite in warranty and AMC for Exchange System	5	
	11	Project Management Services		Criteria	Score	5
				Project Management standards	2	
				Reporting procedures, progress report and risk mitigation plan.	2	
				SLA implementation and Management Methodology Plan	1	
ITB 28.6 (c) (i)	The Purchaser will not accept deviations in the time of installation and commissioning specified in the Implementation Schedule..					
ITB 28.6 (c) (ii)	The Purchaser will not accept deviations in the payment schedule in the SCC.					

ITB 28.6 (d)	Interest Rate (I) for net present value calculations of recurrent costs = 10% of the total cost percent per annum.

F. POSTQUALIFICATION AND AWARD OF CONTRACT

ITB 31.2	As additional postqualification measures, the Information System (or components/parts of it) offered by the Lowest Evaluated Bidder may be subjected to the following tests and performance benchmarks prior to Contract award: The Lowest Evaluated Bidder shall give comprehensive presentation to the working committee member regarding and not limited to the project work plan, their experience in the domain knowledge, software design, implementation methodology, project risk and risk mitigation plan. The internal committee of the Client will score the presentation and will decide on the contract award.
ITB 33.1	Percentage for quantity increase or decrease: 20%.
ITB 38.1	The proposed Adjudicator is Mr. Ugyen Dorji, Lawyer, UC associates private legal Firm.

**SECTION III. ELIGIBLE COUNTRIES FOR THE PROVISION OF
GOODS, WORKS, AND SERVICES IN BANK-FINANCED
PROCUREMENT**

Eligible Countries for the Provision of Goods, Works, and Services in Bank-Financed Procurement

As of September 2007

1. Eligible for this procurement are firms of, and goods manufactured in, all countries except countries, if any, listed in the following restrictions.
2. In accordance with para. 1.8 (a) of the Guidelines: Procurement under IBRD Loans and IDA Credits, firms of a Country or goods manufactured in a Country may be excluded if
 - (i) as a matter of law or official regulation, the Borrower's Country prohibits commercial relations with that Country, provided that the Bank is satisfied that such exclusion does not preclude effective competition for the supply of the goods or works required, or
 - (ii) 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, the Borrower's Country prohibits any import of goods from that Country or any payments to persons or entities in that Country.
3. For the information of borrowers and bidders, at the present time firms, goods and services from the following countries are excluded from this bidding:

With reference to paragraph (i) above: None

With reference to paragraph (ii) above: None

SECTION IV. GENERAL CONDITIONS OF CONTRACT

Table of Clauses

A. Contract and Interpretation	65
1. Definitions	65
2. Contract Documents.....	73
3. Interpretation.....	73
4. Notices	76
5. Governing Law	77
6. Settlement of Disputes	77
B. Subject Matter of Contract	79
7. Scope of the System.....	79
8. Time for Commencement and Operational Acceptance	80
9. Supplier’s Responsibilities	80
10. Purchaser’s Responsibilities	82
C. Payment.....	84
11. Contract Price	84
12. Terms of Payment	84
13. Securities.....	85
14. Taxes and Duties.....	86
D. Intellectual Property	87
15. Copyright	87
16. Software License Agreements	88
17. Confidential Information	90
E. Supply, Installation, Testing, Commissioning, and Acceptance of the System	92
18. Representatives	92
19. Project Plan	94
20. Subcontracting	94
21. Design and Engineering.....	95
22. Procurement, Delivery, and Transport.....	98
23. Product Upgrades.....	100
24. Implementation, Installation, and Other Services.....	102
25. Inspections and Tests	102
26. Installation of the System	103
27. Commissioning and Operational Acceptance.....	104
F. Guarantees and Liabilities.....	108

28.	Operational Acceptance Time Guarantee	108
29.	Defect Liability	109
30.	Functional Guarantees	112
31.	Intellectual Property Rights Warranty	112
32.	Intellectual Property Rights Indemnity	113
33.	Limitation of Liability	115
G.	Risk Distribution.....	116
34.	Transfer of Ownership	116
35.	Care of the System	116
36.	Loss of or Damage to Property; Accident or Injury to Workers; Indemnification	117
37.	Insurances	119
38.	Force Majeure	121
H.	Change in Contract Elements.....	123
39.	Changes to the System	123
40.	Extension of Time for Achieving Operational Acceptance	127
41.	Termination.....	128
42.	Assignment	136

General Conditions of Contract

A. CONTRACT AND INTERPRETATION

- 1. Definitions**
- 1.1 In this Contract, the following terms shall be interpreted as indicated below.
- (a) contract elements
 - (i) “Contract” means the Contract Agreement entered into between the Purchaser and the Supplier, together with the Contract Documents referred to therein. The Contract Agreement and the Contract Documents shall constitute the Contract, and the term “the Contract” shall in all such documents be construed accordingly.
 - (ii) “Contract Documents” means the documents specified in Article 1.1 (Contract Documents) of the Contract Agreement (including any amendments to these Documents).
 - (iii) “Contract Agreement” means the agreement entered into between the Purchaser and the Supplier using the form of Contract Agreement contained in the Sample Forms Section of the Bidding Documents and any modifications to this form agreed to by the Purchaser and the Supplier. The date of the Contract Agreement shall be recorded in the signed form.
 - (iv) “GCC” means the General Conditions of Contract.
 - (v) “SCC” means the Special Conditions of Contract.
 - (vi) “Technical Requirements” means the Technical Requirements Section of the Bidding Documents.
 - (vii) “Implementation Schedule” means the Implementation Schedule Sub-section of the Technical Requirements.
 - viii) “Contract Price” means the price or prices defined in Article 2 (Contract Price and Terms

of Payment) of the Contract Agreement.

- (ix) “Procurement Guidelines” refers to the edition **specified in the SCC** of the World Bank Guidelines: Procurement under IBRD Loans and IDA Credits.
 - (x) “Bidding Documents” refers to the collection of documents issued by the Purchaser to instruct and inform potential suppliers of the processes for bidding, selection of the winning bid, and Contract formation, as well as the contractual conditions governing the relationship between the Purchaser and the Supplier. The General and Special Conditions of Contract, the Technical Requirements, and all other documents included in the Bidding Documents reflect the Procurement Guidelines that the Purchaser is obligated to follow during procurement and administration of this Contract.
- (b) entities
- (i) “Purchaser” means the entity purchasing the Information System, as **specified in the SCC**.
 - (ii) “Project Manager” means the person **named as such in the SCC** or otherwise appointed by the Purchaser in the manner provided in GCC Clause 18.1 (Project Manager) to perform the duties delegated by the Purchaser.
 - (iii) “Supplier” means the firm or Joint Venture whose bid to perform the Contract has been accepted by the Purchaser and is named as such in the Contract Agreement.
 - (iv) “Supplier’s Representative” means any person nominated by the Supplier and named as such in the Contract Agreement or otherwise approved by the Purchaser in the manner provided in GCC Clause 18.2 (Supplier’s Representative) to perform the duties delegated by the Supplier.
 - (v) “Subcontractor” means any firm to whom any of the obligations of the Supplier, including preparation of any design or supply of any Information Technologies or other Goods or

Services, is subcontracted directly or indirectly by the Supplier.

- (vi) “Adjudicator” means the person named in Appendix 2 of the Contract Agreement, appointed by agreement between the Purchaser and the Supplier to make a decision on or to settle any dispute between the Purchaser and the Supplier referred to him or her by the parties, pursuant to GCC Clause 6.1 (Adjudication).
 - (vii) “The World Bank” (also called “The Bank”) means the International Bank for Reconstruction and Development (IBRD) or the International Development Association (IDA).
- (c) scope
- (i) “Information System,” also called “the System,” means all the Information Technologies, Materials, and other Goods to be supplied, installed, integrated, and made operational (exclusive of the Supplier’s Equipment), together with the Services to be carried out by the Supplier under the Contract.
 - (ii) “Subsystem” means any subset of the System identified as such in the Contract that may be supplied, installed, tested, and commissioned individually before Commissioning of the entire System.
 - (iii) “Information Technologies” means all information processing and communications-related hardware, Software, supplies, and consumable items that the Supplier is required to supply and install under the Contract.
 - (iv) “Goods” means all equipment, machinery, furnishings, Materials, and other tangible items that the Supplier is required to supply or supply and install under the Contract, including, without limitation, the Information Technologies and Materials, but excluding the Supplier’s Equipment.
 - (v) “Services” means all technical, logistical, management, and any other Services to be

provided by the Supplier under the Contract to supply, install, customize, integrate, and make operational the System. Such Services may include, but are not restricted to, activity management and quality assurance, design, development, customization, documentation, transportation, insurance, inspection, expediting, site preparation, installation, integration, training, data migration, Pre-commissioning, Commissioning, maintenance, and technical support.

- (vi) “The Project Plan” means the document to be developed by the Supplier and approved by the Purchaser, pursuant to GCC Clause 19, based on the requirements of the Contract and the Preliminary Project Plan included in the Supplier’s bid. The “Agreed and Finalized Project Plan” is the version of the Project Plan approved by the Purchaser, in accordance with GCC Clause 19.2. Should the Project Plan conflict with the Contract in any way, the relevant provisions of the Contract, including any amendments, shall prevail.
- (vii) “Software” means that part of the System which are instructions that cause information processing Subsystems to perform in a specific manner or execute specific operations.
- (viii) “System Software” means Software that provides the operating and management instructions for the underlying hardware and other components, and is identified as such in Appendix 4 of the Contract Agreement and such other Software as the parties may agree in writing to be Systems Software. Such System Software includes, but is not restricted to, micro-code embedded in hardware (i.e., “firmware”), operating systems, communications, system and network management, and utility software.
- (ix) “General-Purpose Software” means Software that supports general-purpose office and software development activities and is identified as such in Appendix 4 of the Contract Agreement and such other Software as the

parties may agree in writing to be General-Purpose Software. Such General-Purpose Software may include, but is not restricted to, word processing, spreadsheet, generic database management, and application development software.

- (x) “Application Software” means Software formulated to perform specific business or technical functions and interface with the business or technical users of the System and is identified as such in Appendix 4 of the Contract Agreement and such other Software as the parties may agree in writing to be Application Software.
- (xi) “Standard Software” means Software identified as such in Appendix 4 of the Contract Agreement and such other Software as the parties may agree in writing to be Standard Software.
- (xii) “Custom Software” means Software identified as such in Appendix 4 of the Contract Agreement and such other Software as the parties may agree in writing to be Custom Software.
- (xiii) “Source Code” means the database structures, dictionaries, definitions, program source files, and any other symbolic representations necessary for the compilation, execution, and subsequent maintenance of the Software (typically, but not exclusively, required for Custom Software).
- (xiv) “Materials” means all documentation in printed or printable form and all instructional and informational aides in any form (including audio, video, and text) and on any medium, provided to the Purchaser under the Contract.
- (xv) “Standard Materials” means all Materials not specified as Custom Materials.
- (xvi) “Custom Materials” means Materials developed by the Supplier at the Purchaser’s expense under the Contract and identified as such in Appendix 5 of the Contract Agreement and such other

Materials as the parties may agree in writing to be Custom Materials. Custom Materials includes Materials created from Standard Materials.

- (xvii) “Intellectual Property Rights” means any and all copyright, moral rights, trademark, patent, and other intellectual and proprietary rights, title and interests worldwide, whether vested, contingent, or future, including without limitation all economic rights and all exclusive rights to reproduce, fix, adapt, modify, translate, create derivative works from, extract or re-utilize data from, manufacture, introduce into circulation, publish, distribute, sell, license, sublicense, transfer, rent, lease, transmit or provide access electronically, broadcast, display, enter into computer memory, or otherwise use any portion or copy, in whole or in part, in any form, directly or indirectly, or to authorize or assign others to do so.
 - (xviii) “Supplier’s Equipment” means all equipment, tools, apparatus, or things of every kind required in or for installation, completion and maintenance of the System that are to be provided by the Supplier, but excluding the Information Technologies, or other items forming part of the System.
- (d) activities
- (i) “Delivery” means the transfer of the Goods from the Supplier to the Purchaser in accordance with the current edition Incoterms specified in the Contract.
 - (ii) “Installation” means that the System or a Subsystem as specified in the Contract is ready for Commissioning as provided in GCC Clause 26 (Installation).
 - (iii) “Pre-commissioning” means the testing, checking, and any other required activity that may be specified in the Technical Requirements that are to be carried out by the Supplier in preparation for Commissioning of the System as provided in GCC Clause 26 (Installation).

- (iv) “Commissioning” means operation of the System or any Subsystem by the Supplier following Installation, which operation is to be carried out by the Supplier as provided in GCC Clause 27.1 (Commissioning), for the purpose of carrying out Operational Acceptance Test(s).
 - (v) “Operational Acceptance Tests” means the tests specified in the Technical Requirements and Agreed and Finalized Project Plan to be carried out to ascertain whether the System, or a specified Subsystem, is able to attain the functional and performance requirements specified in the Technical Requirements and Agreed and Finalized Project Plan, in accordance with the provisions of GCC Clause 27.2 (Operational Acceptance Test).
 - (vi) “Operational Acceptance” means the acceptance by the Purchaser of the System (or any Subsystem(s) where the Contract provides for acceptance of the System in parts), in accordance with GCC Clause 27.3 (Operational Acceptance).
- (e) place and time
- (i) “Purchaser’s Country” is the **country named in the SCC**.
 - (ii) “Supplier’s Country” is the country in which the Supplier is legally organized, as named in the Contract Agreement.
 - (iii) “Project Site(s)” means the place(s) **specified in the SCC** for the supply and installation of the System.
 - (iv) “Eligible Country” means the countries and territories eligible for participation in procurements financed by the World Bank as defined in the Procurement Guidelines. (**Note:** The World Bank maintains a list of countries from which Bidders, Goods, and Services are not eligible to participate in procurement financed by the Bank. The list is regularly updated and can be obtained from the Public Information Center of the Bank or its web site

on procurement. A copy of the list is contained in the Section of the Bidding Documents entitled “Eligible Countries for the Provision of Goods, Works, and Services in Bank-Financed Procurement”).

- (v) “Day” means calendar day of the Gregorian Calendar.
- (vi) “Week” means seven (7) consecutive Days, beginning the day of the week as is customary in the Purchaser’s Country.
- (vii) “Month” means calendar month of the Gregorian Calendar.
- (viii) “Year” means twelve (12) consecutive Months.
- (ix) “Effective Date” means the date of fulfillment of all conditions specified in Article 3 (Effective Date for Determining Time for Achieving Operational Acceptance) of the Contract Agreement, for the purpose of determining the Delivery, Installation, and Operational Acceptance dates for the System or Subsystem(s).
- (x) “Contract Period” is the time period during which this Contract governs the relations and obligations of the Purchaser and Supplier in relation to the System, as **specified in the SCC**.
- (xi) “Defect Liability Period” (also referred to as the “Warranty Period”) means the period of validity of the warranties given by the Supplier commencing at date of the Operational Acceptance Certificate of the System or Subsystem(s), during which the Supplier is responsible for defects with respect to the System (or the relevant Subsystem[s]) as provided in GCC Clause 29 (Defect Liability).
- (xii) “The Post-Warranty Services Period” means the number of years **defined in the SCC** (if any), following the expiration of the Warranty Period during which the Supplier may be obligated to provide Software licenses, maintenance, and/or technical support services for the System, either

under this Contract or under separate contract(s).

(xiii) “The Coverage Period” means the Days of the Week and the hours of those Days during which maintenance, operational, and/or technical support services (if any) must be available.

2. Contract Documents

2.1 Subject to Article 1.2 (Order of Precedence) of the Contract Agreement, all documents forming part of the Contract (and all parts of these documents) are intended to be correlative, complementary, and mutually explanatory. The Contract shall be read as a whole.

3. Interpretation

3.1 Governing Language

3.1.1 All Contract Documents and related correspondence exchanged between Purchaser and Supplier shall be written in the language **specified in the SCC**, and the Contract shall be construed and interpreted in accordance with that language.

3.1.2 If any of the Contract Documents or related correspondence are prepared in a language other than the governing language under GCC Clause 3.1.1 above, the translation of such documents into the governing language shall prevail in matters of interpretation. The originating party, with respect to such documents shall bear the costs and risks of such translation.

3.2 Singular and Plural

The singular shall include the plural and the plural the singular, except where the context otherwise requires.

3.3 Headings

The headings and marginal notes in the GCC are included for ease of reference and shall neither constitute a part of the Contract nor affect its interpretation.

3.4 Persons

Words importing persons or parties shall include firms, corporations, and government entities.

3.5 Incoterms

Unless inconsistent with any provision of the Contract, the

meaning of any trade term and the rights and obligations of parties thereunder shall be as prescribed by the current Incoterms (“Incoterms 2000” or a more recent version if and as published). Incoterms are the international rules for interpreting trade terms published by the International Chamber of Commerce, 38 Cours Albert 1er, 75008 Paris, France.

3.6 Entire Agreement

The Contract constitutes the entire agreement between the Purchaser and Supplier with respect to the subject matter of Contract and supersedes all communications, negotiations, and agreements (whether written or oral) of parties with respect to the subject matter of the Contract made prior to the date of Contract.

3.7 Amendment

No amendment or other variation of the Contract shall be effective unless it is in writing, is dated, expressly refers to the Contract, and is signed by a duly authorized representative of each party to the Contract.

3.8 Independent Supplier

The Supplier shall be an independent contractor performing the Contract. The Contract does not create any agency, partnership, joint venture, or other joint relationship between the parties to the Contract.

Subject to the provisions of the Contract, the Supplier shall be solely responsible for the manner in which the Contract is performed. All employees, representatives, or Subcontractors engaged by the Supplier in connection with the performance of the Contract shall be under the complete control of the Supplier and shall not be deemed to be employees of the Purchaser, and nothing contained in the Contract or in any subcontract awarded by the Supplier shall be construed to create any contractual relationship between any such employees, representatives, or Subcontractors and the Purchaser.

3.9 Joint Venture

If the Supplier is a Joint Venture of two or more firms, all such firms shall be jointly and severally bound to the Purchaser for the fulfillment of the provisions of the

Contract and shall designate one of such firms to act as a leader with authority to bind the Joint Venture. The composition or constitution of the Joint Venture shall not be altered without the prior consent of the Purchaser.

3.10 Nonwaiver

3.10.1 Subject to GCC Clause 3.10.2 below, no relaxation, forbearance, delay, or indulgence by either party in enforcing any of the terms and conditions of the Contract or the granting of time by either party to the other shall prejudice, affect, or restrict the rights of that party under the Contract, nor shall any waiver by either party of any breach of Contract operate as waiver of any subsequent or continuing breach of Contract.

3.10.2 Any waiver of a party's rights, powers, or remedies under the Contract must be in writing, must be dated and signed by an authorized representative of the party granting such waiver, and must specify the right and the extent to which it is being waived.

3.11 Severability

If any provision or condition of the Contract is prohibited or rendered invalid or unenforceable, such prohibition, invalidity, or unenforceability shall not affect the validity or enforceability of any other provisions and conditions of the Contract.

3.12 Country of Origin

"Origin" means the place where the Information Technologies, Materials, and other Goods for the System were produced or from which the Services are supplied. Goods are produced when, through manufacturing, processing, Software development, or substantial and major assembly or integration of components, a commercially recognized product results that is substantially different in basic characteristics or in purpose or utility from its components. The Origin of Goods and Services is distinct from the nationality of the Supplier and may be different.

4. Notices

- 4.1 Unless otherwise stated in the Contract, all notices to be given under the Contract shall be in writing and shall be sent, pursuant to GCC Clause 4.3 below, by personal delivery, airmail post, special courier, cable, telegraph, telex, facsimile, electronic mail, or Electronic Data Interchange (EDI), with the following provisions.
 - 4.1.1 Any notice sent by cable, telegraph, telex, facsimile, electronic mail, or EDI shall be confirmed within two (2) days after dispatch by notice sent by airmail post or special courier, except as otherwise specified in the Contract.
 - 4.1.2 Any notice sent by airmail post or special courier shall be deemed (in the absence of evidence of earlier receipt) to have been delivered ten (10) days after dispatch. In proving the fact of dispatch, it shall be sufficient to show that the envelope containing such notice was properly addressed, stamped, and conveyed to the postal authorities or courier service for transmission by airmail or special courier.
 - 4.1.3 Any notice delivered personally or sent by cable, telegraph, telex, facsimile, electronic mail, or EDI shall be deemed to have been delivered on the date of its dispatch.
 - 4.1.4 Either party may change its postal, cable, telex, facsimile, electronic mail, or EDI addresses for receipt of such notices by ten (10) days' notice to the other party in writing.
- 4.2 Notices shall be deemed to include any approvals, consents, instructions, orders, certificates, information and other communication to be given under the Contract.
- 4.3 Pursuant to GCC Clause 18, notices from/to the Purchaser are normally given by, or addressed to, the Project Manager, while notices from/to the Supplier are normally given by, or addressed to, the Supplier's Representative, or in its absence its deputy if any. If there is no appointed Project Manager or Supplier's Representative (or deputy), or if their related authority is limited by the SCC for GCC Clauses 18.1 or 18.2.2, or for any other reason, the Purchaser or Supplier may give and receive notices at their fallback addresses. The address of the Project Manager and the fallback address of the Purchaser are as **specified in the**

SCC or as subsequently established/amended. The address of the Supplier's Representative and the fallback address of the Supplier are as specified in Appendix 1 of the Contract Agreement or as subsequently established/amended.

5. Governing Law 5.1 The Contract shall be governed by and interpreted in accordance with the laws of the country specified in the SCC.

6. Settlement of Disputes 6.1 Adjudication

6.1.1 If any dispute of any kind whatsoever shall arise between the Purchaser and the Supplier in connection with or arising out of the Contract, including without prejudice to the generality of the foregoing, any question regarding its existence, validity, or termination, or the operation of the System (whether during the progress of implementation or after its achieving Operational Acceptance and whether before or after the termination, abandonment, or breach of the Contract), the parties shall seek to resolve any such dispute by mutual consultation. If the parties fail to resolve such a dispute by mutual consultation within fourteen (14) days after one party has notified the other in writing of the dispute, then, if the Contract Agreement in Appendix 2 includes and names an Adjudicator, the dispute shall, within another fourteen (14) days, be referred in writing by either party to the Adjudicator, with a copy to the other party. If there is no Adjudicator specified in the Contract Agreement, the mutual consultation period stated above shall last twenty-eight (28) days (instead of fourteen), upon expiry of which either party may move to the notification of arbitration pursuant to GCC Clause 6.2.1.

6.1.2 The Adjudicator shall give his or her decision in writing to both parties within twenty-eight (28) days of the dispute being referred to the Adjudicator. If the Adjudicator has done so, and no notice of intention to commence arbitration has been given by either the Purchaser or the Supplier within fifty-six (56) days of such reference, the decision shall become final and binding upon the Purchaser and the Supplier. Any decision that has become final and binding shall be implemented by the parties forthwith.

6.1.3 The Adjudicator shall be paid an hourly fee at the rate specified in the Contract Agreement plus reasonable expenditures incurred in the execution of duties as Adjudicator, and these costs shall be divided equally between the Purchaser and the Supplier.

6.1.4 Should the Adjudicator resign or die, or should the Purchaser and the Supplier agree that the Adjudicator is not fulfilling his or her functions in accordance with the provisions of the Contract, a new Adjudicator shall be jointly appointed by the Purchaser and the Supplier. Failing agreement between the two within twenty-eight (28) days, the new Adjudicator shall be appointed at the request of either party by the Appointing Authority **specified in the SCC**, or, if no Appointing Authority is **specified in SCC**, the Contract shall, from this point onward and until the parties may otherwise agree on an Adjudicator or an Appointing Authority, be implemented as if there is no Adjudicator.

6.2 Arbitration

6.2.1 If

- (a) the Purchaser or the Supplier is dissatisfied with the Adjudicator's decision and acts before this decision has become final and binding pursuant to GCC Clause 6.1.2, or
- (b) the Adjudicator fails to give a decision within the allotted time from referral of the dispute pursuant to GCC Clause 6.1.2, and the Purchaser or the Supplier acts within the following fourteen (14) days, or
- (c) in the absence of an Adjudicator from the Contract Agreement, the mutual consultation pursuant to GCC Clause 6.1.1 expires without resolution of the dispute and the Purchaser or the Supplier acts within the following fourteen (14) days,

then either the Purchaser or the Supplier may act to give notice to the other party, with a copy for information to the Adjudicator in case an Adjudicator had been involved, of its intention to commence arbitration, as provided below, as to the matter in

dispute, and no arbitration in respect of this matter may be commenced unless such notice is given.

6.2.2 Any dispute in respect of which a notice of intention to commence arbitration has been given, in accordance with GCC Clause 6.2.1, shall be finally settled by arbitration. Arbitration may be commenced prior to or after Installation of the Information System.

6.2.3 Arbitration proceedings shall be conducted in accordance with the rules of procedure **specified in the SCC.**

6.3 Notwithstanding any reference to the Adjudicator or arbitration in this clause,

- (a) the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree;
- (b) the Purchaser shall pay the Supplier any monies due the Supplier.

B. SUBJECT MATTER OF CONTRACT

- 7. Scope of the System** 7.1 Unless otherwise expressly **limited in the SCC** or Technical Requirements, the Supplier's obligations cover the provision of all Information Technologies, Materials and other Goods as well as the performance of all Services required for the design, development, and implementation (including procurement, quality assurance, assembly, associated site preparation, Delivery, Pre-commissioning, Installation, Testing, and Commissioning) of the System, in accordance with the plans, procedures, specifications, drawings, codes, and any other documents specified in the Contract and the Agreed and Finalized Project Plan.

- 7.2 The Supplier shall, unless specifically excluded in the Contract, perform all such work and / or supply all such items and Materials not specifically mentioned in the Contract but that can be reasonably inferred from the Contract as being required for attaining Operational Acceptance of the System as if such work and / or items and Materials were expressly mentioned in the Contract.
- 7.3 The Supplier's obligations (if any) to provide Goods and Services as implied by the Recurrent Cost tables of the Supplier's bid, such as consumables, spare parts, and technical services (e.g., maintenance, technical assistance, and operational support), are as **specified in the SCC**, including the relevant terms, characteristics, and timings.
- 8. Time for Commencement and Operational Acceptance**
- 8.1 The Supplier shall commence work on the System within the period **specified in the SCC**, and without prejudice to GCC Clause 28.2, the Supplier shall thereafter proceed with the System in accordance with the time schedule specified in the Implementation Schedule in the Technical Requirements Section and any refinements made in the Agreed and Finalized Project Plan.
- 8.2 The Supplier shall achieve Operational Acceptance of the System (or Subsystem(s) where a separate time for Operational Acceptance of such Subsystem(s) is specified in the Contract) within the time **specified in the SCC** and in accordance with the time schedule specified in the Implementation Schedule in the Technical Requirements Section and any refinements made in the Agreed and Finalized Project Plan, or within such extended time to which the Supplier shall be entitled under GCC Clause 40 (Extension of Time for Achieving Operational Acceptance).
- 9. Supplier's Responsibilities**
- 9.1 The Supplier shall conduct all activities with due care and diligence, in accordance with the Contract and with the skill and care expected of a competent provider of information technologies, information systems, support, maintenance, training, and other related services, or in accordance with best industry practices. In particular, the Supplier shall provide and employ only technical personnel who are skilled and experienced in their respective callings and supervisory staff who are competent to adequately supervise the work at hand.

- 9.2 The Supplier confirms that it has entered into this Contract on the basis of a proper examination of the data relating to the System provided by the Purchaser and on the basis of information that the Supplier could have obtained from a visual inspection of the site (if access to the site was available) and of other data readily available to the Supplier relating to the System as at the date twenty-eight (28) days prior to bid submission. The Supplier acknowledges that any failure to acquaint itself with all such data and information shall not relieve its responsibility for properly estimating the difficulty or cost of successfully performing the Contract.
- 9.3 The Supplier shall be responsible for timely provision of all resources, information, and decision making under its control that are necessary to reach a mutually Agreed and Finalized Project Plan (pursuant to GCC Clause 19.2) within the time schedule specified in the Implementation Schedule in the Technical Requirements Section. Failure to provide such resources, information, and decision making may constitute grounds for termination pursuant to GCC Clause 41.2.
- 9.4 The Supplier shall acquire in its name all permits, approvals, and/or licenses from all local, state, or national government authorities or public service undertakings in the Purchaser's Country that are necessary for the performance of the Contract, including, without limitation, visas for the Supplier's and Subcontractor's personnel and entry permits for all imported Supplier's Equipment. The Supplier shall acquire all other permits, approvals, and/or licenses that are not the responsibility of the Purchaser under GCC Clause 10.4 and that are necessary for the performance of the Contract.
- 9.5 The Supplier shall comply with all laws in force in the Purchaser's Country. The laws will include all national, provincial, municipal, or other laws that affect the performance of the Contract and are binding upon the Supplier. The Supplier shall indemnify and hold harmless the Purchaser from and against any and all liabilities, damages, claims, fines, penalties, and expenses of whatever nature arising or resulting from the violation of such laws by the Supplier or its personnel, including the Subcontractors and their personnel, but without prejudice to GCC Clause 10.1. The Supplier shall not indemnify the Purchaser

to the extent that such liability, damage, claims, fines, penalties, and expenses were caused or contributed to by a fault of the Purchaser.

- 9.6 The Supplier shall, in all dealings with its labor and the labor of its Subcontractors currently employed on or connected with the Contract, pay due regard to all recognized festivals, official holidays, religious or other customs, and all local laws and regulations pertaining to the employment of labor.
- 9.7 Any Information Technologies or other Goods and Services that will be incorporated in or be required for the System and other supplies shall have their Origin, as defined in GCC Clause 3.12, in a country that shall be an Eligible Country, as defined in GCC Clause 1.1 (e) (iv).
- 9.8 The Supplier shall permit the Bank and/or persons appointed by the Bank to inspect the Supplier's offices and/or the accounts and records of the Supplier and its sub-contractors relating to the performance of the Contract, and to have such accounts and records audited by auditors appointed by the Bank if required by the Bank. The Supplier's attention is drawn to Sub-Clause 41.2.1(c), which provides, inter alia, that acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for under Sub-Clause 9.8 constitute a prohibited practice subject to contract termination (as well as to a determination of ineligibility under the Procurement Guidelines)
- 9.9 Other Supplier responsibilities, if any, are as **stated in the SCC**.

10. Purchaser's Responsibilities

- 10.1 The Purchaser shall ensure the accuracy of all information and/or data to be supplied by the Purchaser to the Supplier, except when otherwise expressly stated in the Contract.
- 10.2 The Purchaser shall be responsible for timely provision of all resources, information, and decision making under its control that are necessary to reach an Agreed and Finalized Project Plan (pursuant to GCC Clause 19.2) within the time schedule specified in the Implementation Schedule in the Technical Requirements Section. Failure to provide such resources, information, and decision making may constitute grounds for Termination pursuant to GCC Clause 41.3.1 (b).
- 10.3 The Purchaser shall be responsible for acquiring and providing legal and physical possession of the site and access to it, and for providing possession of and access to all other areas

reasonably required for the proper execution of the Contract.

- 10.4 If requested by the Supplier, the Purchaser shall use its best endeavors to assist the Supplier in obtaining in a timely and expeditious manner all permits, approvals, and/or licenses necessary for the execution of the Contract from all local, state, or national government authorities or public service undertakings that such authorities or undertakings require the Supplier or Subcontractors or the personnel of the Supplier or Subcontractors, as the case may be, to obtain.
- 10.5 In such cases where the responsibilities of specifying and acquiring or upgrading telecommunications and/or electric power services falls to the Supplier, as specified in the Technical Requirements, SCC, Agreed and Finalized Project Plan, or other parts of the Contract, the Purchaser shall use its best endeavors to assist the Supplier in obtaining such services in a timely and expeditious manner.
- 10.6 The Purchaser shall be responsible for timely provision of all resources, access, and information necessary for the Installation and Operational Acceptance of the System (including, but not limited to, any required telecommunications or electric power services), as identified in the Agreed and Finalized Project Plan, except where provision of such items is explicitly identified in the Contract as being the responsibility of the Supplier. Delay by the Purchaser may result in an appropriate extension of the Time for Operational Acceptance, at the Supplier's discretion.
- 10.7 Unless otherwise specified in the Contract or agreed upon by the Purchaser and the Supplier, the Purchaser shall provide sufficient, properly qualified operating and technical personnel, as required by the Supplier to properly carry out Delivery, Pre-commissioning, Installation, Commissioning, and Operational Acceptance, at or before the time specified in the Technical Requirements Section's Implementation Schedule and the Agreed and Finalized Project Plan.
- 10.8 The Purchaser will designate appropriate staff for the training courses to be given by the Supplier and shall make all appropriate logistical arrangements for such training as specified in the Technical Requirements, SCC, the Agreed and Finalized Project Plan, or other parts of the Contract.
- 10.9 The Purchaser assumes primary responsibility for the

Operational Acceptance Test(s) for the System, in accordance with GCC Clause 27.2, and shall be responsible for the continued operation of the System after Operational Acceptance. However, this shall not limit in any way the Supplier's responsibilities after the date of Operational Acceptance otherwise specified in the Contract.

10.10 The Purchaser is responsible for performing and safely storing timely and regular backups of its data and Software in accordance with accepted data management principles, except where such responsibility is clearly assigned to the Supplier elsewhere in the Contract.

10.11 All costs and expenses involved in the performance of the obligations under this GCC Clause 10 shall be the responsibility of the Purchaser, save those to be incurred by the Supplier with respect to the performance of the Operational Acceptance Test(s), in accordance with GCC Clause 27.2.

10.12 Other Purchaser responsibilities, if any, are **as stated in the SCC.**

C. PAYMENT

11. Contract Price 11.1 The Contract Price shall be as specified in Article 2 (Contract Price and Terms of Payment) of the Contract Agreement.

11.2 The Contract Price shall be a firm lump sum not subject to any alteration, except:

(a) in the event of a Change in the System pursuant to GCC Clause 39 or to other clauses in the Contract;

(b) in accordance with the price adjustment formula (if any) **specified in the SCC.**

11.3 The Supplier shall be deemed to have satisfied itself as to the correctness and sufficiency of the Contract Price, which shall, except as otherwise provided for in the Contract, cover all its obligations under the Contract.

12. Terms of Payment 12.1 The Supplier's request for payment shall be made to the Purchaser in writing, accompanied by an invoice describing, as appropriate, the System or Subsystem(s), Delivered, Pre-commissioned, Installed, and Operationally Accepted, and

by documents submitted pursuant to GCC Clause 22.5 and upon fulfillment of other obligations stipulated in the Contract.

The Contract Price shall be paid as **specified in the SCC**.

- 12.2 No payment made by the Purchaser herein shall be deemed to constitute acceptance by the Purchaser of the System or any Subsystem(s).
- 12.3 Payments shall be made promptly by the Purchaser, but in no case later than forty five (45) days after submission of a valid invoice by the Supplier. In the event that the Purchaser fails to make any payment by its respective due date or within the period set forth in the Contract, the Purchaser shall pay to the Supplier interest on the amount of such delayed payment at the rate(s) **specified in the SCC** for the period of delay until payment has been made in full, whether before or after judgment or arbitration award.
- 12.4 All payments shall be made in the currency(ies) specified in the Contract Agreement, pursuant to GCC Clause 11. For Goods and Services supplied locally, payments shall be made in the currency of the Purchaser's Country, unless otherwise **specified in the SCC**.
- 12.5 Unless otherwise **specified in the SCC**, payment of the foreign currency portion of the Contract Price for Goods supplied from outside the Purchaser's Country shall be made to the Supplier through an irrevocable letter of credit opened by an authorized bank in the Supplier's Country and will be payable on presentation of the appropriate documents. It is agreed that the letter of credit will be subject to Article 10 of the latest revision of Uniform Customs and Practice for Documentary Credits, published by the International Chamber of Commerce, Paris.

13. Securities

13.1 Issuance of Securities

The Supplier shall provide the securities specified below in favor of the Purchaser at the times and in the amount, manner, and form specified below.

13.2 Advance Payment Security

13.2.1 As **specified in the SCC**, the Supplier shall provide a security equal in amount and currency to the advance payment, and valid until the System is Operationally

Accepted.

13.2.2 The security shall be in the form provided in the Bidding Documents or in another form acceptable to the Purchaser. The amount of the security shall be reduced in proportion to the value of the System executed by and paid to the Supplier from time to time and shall automatically become null and void when the full amount of the advance payment has been recovered by the Purchaser. The way the value of the security is deemed to become reduced and, eventually, voided is as **specified in the SCC**. The security shall be returned to the Supplier immediately after its expiration.

13.3 Performance Security

13.3.1 The Supplier shall, within twenty-eight (28) days of the notification of Contract award, provide a security for the due performance of the Contract in the amount and currency **specified in the SCC**.

13.3.2 The security shall be a bank guarantee in the form provided in the Sample Forms Section of the Bidding Documents, or it shall be in another form acceptable to the Purchaser.

13.3.3 The security shall automatically become null and void once all the obligations of the Supplier under the Contract have been fulfilled, including, but not limited to, any obligations during the Warranty Period and any extensions to the period. The security shall be returned to the Supplier no later than twenty-eight (28) days after its expiration.

13.3.4 Upon Operational Acceptance of the entire System, the security shall be reduced to the amount **specified in the SCC**, on the date of such Operational Acceptance, so that the reduced security would only cover the remaining warranty obligations of the Supplier.

14. Taxes and Duties 14.1 For Goods or Services supplied from outside the Purchaser's country, the Supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the Purchaser's country. Any duties, such as importation or customs duties, and taxes and other levies, payable in the Purchaser's country for the supply of Goods

and Services from outside the Purchaser's country are the responsibility of the Purchaser unless these duties or taxes have been made part of the Contract Price in Article 2 of the Contract Agreement and the Price Schedule it refers to, in which case the duties and taxes will be the Supplier's responsibility.

- 14.2 For Goods or Services supplied locally, the Supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted Goods or Services to the Purchaser. The only exception are taxes or duties, such as value-added or sales tax or stamp duty as apply to, or are clearly identifiable, on the invoices and provided they apply in the Purchaser's country, and only if these taxes, levies and/or duties are also excluded from the Contract Price in Article 2 of the Contract Agreement and the Price Schedule it refers to.
- 14.3 If any tax exemptions, reductions, allowances, or privileges may be available to the Supplier in the Purchaser's Country, the Purchaser shall use its best efforts to enable the Supplier to benefit from any such tax savings to the maximum allowable extent.
- 14.4 For the purpose of the Contract, it is agreed that the Contract Price specified in Article 2 (Contract Price and Terms of Payment) of the Contract Agreement is based on the taxes, duties, levies, and charges prevailing at the date twenty-eight (28) days prior to the date of bid submission in the Purchaser's Country (also called "Tax" in this GCC Clause 14.4). If any Tax rates are increased or decreased, a new Tax is introduced, an existing Tax is abolished, or any change in interpretation or application of any Tax occurs in the course of the performance of the Contract, which was or will be assessed on the Supplier, its Subcontractors, or their employees in connection with performance of the Contract, an equitable adjustment to the Contract Price shall be made to fully take into account any such change by addition to or reduction from the Contract Price, as the case may be.

D. INTELLECTUAL PROPERTY

15. Copyright

- 15.1 The Intellectual Property Rights in all Standard Software and Standard Materials shall remain vested in the owner of such rights.

- 15.2 The Purchaser agrees to restrict use, copying, or duplication of the Standard Software and Standard Materials in accordance with GCC Clause 16, except that additional copies of Standard Materials may be made by the Purchaser for use within the scope of the project of which the System is a part, in the event that the Supplier does not deliver copies within thirty (30) days from receipt of a request for such Standard Materials.
- 15.3 The Purchaser's contractual rights to use the Standard Software or elements of the Standard Software may not be assigned, licensed, or otherwise transferred voluntarily except in accordance with the relevant license agreement or as may be otherwise **specified in the SCC**.
- 15.4 As applicable, the Purchaser's and Supplier's rights and obligations with respect to Custom Software or elements of the Custom Software, including any license agreements, and with respect to Custom Materials or elements of the Custom Materials, are specified in the SCC. **Subject to the SCC**, the Intellectual Property Rights in all Custom Software and Custom Materials specified in Appendices 4 and 5 of the Contract Agreement (if any) shall, at the date of this Contract or on creation of the rights (if later than the date of this Contract), vest in the Purchaser. The Supplier shall do and execute or arrange for the doing and executing of each necessary act, document, and thing that the Purchaser may consider necessary or desirable to perfect the right, title, and interest of the Purchaser in and to those rights. In respect of such Custom Software and Custom Materials, the Supplier shall ensure that the holder of a moral right in such an item does not assert it, and the Supplier shall, if requested to do so by the Purchaser and where permitted by applicable law, ensure that the holder of such a moral right waives it.
- 15.5 The parties shall enter into such (if any) escrow arrangements in relation to the Source Code to some or all of the Software as are **specified in the SCC** and in **accordance with the SCC**.

16. Software License Agreements

- 16.1 Except to the extent that the Intellectual Property Rights in the Software vest in the Purchaser, the Supplier hereby grants to the Purchaser license to access and use the Software, including all inventions, designs, and marks embodied in the Software.

Such license to access and use the Software shall:

- (a) be:
 - (i) nonexclusive;
 - (ii) fully paid up and irrevocable (except that it shall terminate if the Contract terminates under GCC Clauses 41.1 or 41.3);
 - (iii) valid throughout the territory of the Purchaser's Country (or such other territory as **specified in the SCC**); and
 - (iv) subject to additional restrictions (if any) as **specified in the SCC**.
- (b) permit the Software to be:
 - (i) used or copied for use on or with the computer(s) for which it was acquired (if specified in the Technical Requirements and/or the Supplier's bid), plus a backup computer(s) of the same or similar capacity, if the primary is(are) inoperative, and during a reasonable transitional period when use is being transferred between primary and backup;
 - (ii) as **specified in the SCC**, used or copied for use on or transferred to a replacement computer(s), (and use on the original and replacement computer(s) may be simultaneous during a reasonable transitional period) provided that, if the Technical Requirements and/or the Supplier's bid specifies a class of computer to which the license is restricted and unless the Supplier agrees otherwise in writing, the replacement computer(s) is(are) within that class;
 - (iii) if the nature of the System is such as to permit such access, accessed from other computers connected to the primary and/or backup computer(s) by means of a local or wide-area network or similar arrangement, and used on or copied for use on those other computers to the extent necessary to that access;
 - (iv) reproduced for safekeeping or backup purposes;

- (v) customized, adapted, or combined with other computer software for use by the Purchaser, provided that derivative software incorporating any substantial part of the delivered, restricted Software shall be subject to same restrictions as are set forth in this Contract;
- (vi) as **specified in the SCC**, disclosed to, and reproduced for use by, support service suppliers and their subcontractors, (and the Purchaser may sublicense such persons to use and copy for use the Software) to the extent reasonably necessary to the performance of their support service contracts, subject to the same restrictions as are set forth in this Contract; and
- (vii) disclosed to, and reproduced for use by, the Purchaser and by such other persons as are **specified in the SCC** (and the Purchaser may sublicense such persons to use and copy for use the Software), subject to the same restrictions as are set forth in this Contract.

16.2 The Standard Software may be subject to audit by the Supplier, in accordance with the terms **specified in the SCC**, to verify compliance with the above license agreements.

17. Confidential Information

17.1 Except if otherwise **specified in the SCC**, the "Receiving Party" (either the Purchaser or the Supplier) shall keep confidential and shall not, without the written consent of the other party to this Contract ("the Disclosing Party"), divulge to any third party any documents, data, or other information of a confidential nature ("Confidential Information") connected with this Contract, and furnished directly or indirectly by the Disclosing Party prior to or during performance, or following termination, of this Contract.

17.2 For the purposes of GCC Clause 17.1, the Supplier is also deemed to be the Receiving Party of Confidential Information generated by the Supplier itself in the course of the performance of its obligations under the Contract and relating to the businesses, finances, suppliers, employees, or other contacts of the Purchaser or the Purchaser's use of the System.

17.3 Notwithstanding GCC Clauses 17.1 and 17.2:

- (a) the Supplier may furnish to its Subcontractor

Confidential Information of the Purchaser to the extent reasonably required for the Subcontractor to perform its work under the Contract; and

- (b) the Purchaser may furnish Confidential Information of the Supplier: (i) to its support service suppliers and their subcontractors to the extent reasonably required for them to perform their work under their support service contracts; and (ii) to its affiliates and subsidiaries,

in which event the Receiving Party shall ensure that the person to whom it furnishes Confidential Information of the Disclosing Party is aware of and abides by the Receiving Party's obligations under this GCC Clause 17 as if that person were party to the Contract in place of the Receiving Party.

17.4 The Purchaser shall not, without the Supplier's prior written consent, use any Confidential Information received from the Supplier for any purpose other than the operation, maintenance and further development of the System. Similarly, the Supplier shall not, without the Purchaser's prior written consent, use any Confidential Information received from the Purchaser for any purpose other than those that are required for the performance of the Contract.

17.5 The obligation of a party under GCC Clauses 17.1 through 17.4 above, however, shall not apply to that information which:

- (a) now or hereafter enters the public domain through no fault of the Receiving Party;
- (b) can be proven to have been possessed by the Receiving Party at the time of disclosure and that was not previously obtained, directly or indirectly, from the Disclosing Party;
- (c) otherwise lawfully becomes available to the Receiving Party from a third party that has no obligation of confidentiality.

17.6 The above provisions of this GCC Clause 17 shall not in any way modify any undertaking of confidentiality given by either of the parties to this Contract prior to the date of the Contract in respect of the System or any part thereof.

17.7 The provisions of this GCC Clause 17 shall survive the termination, for whatever reason, of the Contract for three (3) years or such longer period as may be **specified in the SCC**.

E. SUPPLY, INSTALLATION, TESTING, COMMISSIONING, AND ACCEPTANCE OF THE SYSTEM

18. Representatives 18.1 Project Manager

If the Project Manager is not named in the Contract, then within fourteen (14) days of the Effective Date, the Purchaser shall appoint and notify the Supplier in writing of the name of the Project Manager. The Purchaser may from time to time appoint some other person as the Project Manager in place of the person previously so appointed and shall give a notice of the name of such other person to the Supplier without delay. No such appointment shall be made at such a time or in such a manner as to impede the progress of work on the System. Such appointment shall take effect only upon receipt of such notice by the Supplier. Subject to the extensions and/or limitations **specified in the SCC** (if any), the Project Manager shall have the authority to represent the Purchaser on all day-to-day matters relating to the System or arising from the Contract, and shall normally be the person giving or receiving notices on behalf of the Purchaser pursuant to GCC Clause 4.

18.2 Supplier's Representative

18.2.1 If the Supplier's Representative is not named in the Contract, then within fourteen (14) days of the Effective Date, the Supplier shall appoint the Supplier's Representative and shall request the Purchaser in writing to approve the person so appointed. The request must be accompanied by a detailed curriculum vitae for the nominee, as well as a description of any other System or non-System responsibilities the nominee would retain while performing the duties of the Supplier's Representative. If the Purchaser does not object to the appointment within fourteen (14) days, the Supplier's Representative shall be deemed to have been approved. If the Purchaser objects to the appointment within fourteen (14) days giving the reason therefor,

then the Supplier shall appoint a replacement within fourteen (14) days of such objection in accordance with this GCC Clause 18.2.1.

- 18.2.2 Subject to the extensions and/or limitations **specified in the SCC** (if any), the Supplier's Representative shall have the authority to represent the Supplier on all day-to-day matters relating to the System or arising from the Contract, and shall normally be the person giving or receiving notices on behalf of the Supplier pursuant to GCC Clause 4.
- 18.2.3 The Supplier shall not revoke the appointment of the Supplier's Representative without the Purchaser's prior written consent, which shall not be unreasonably withheld. If the Purchaser consents to such an action, the Supplier shall appoint another person of equal or superior qualifications as the Supplier's Representative, pursuant to the procedure set out in GCC Clause 18.2.1.
- 18.2.4 The Supplier's Representative and staff are obliged to work closely with the Purchaser's Project Manager and staff, act within their own authority, and abide by directives issued by the Purchaser that are consistent with the terms of the Contract. The Supplier's Representative is responsible for managing the activities of its personnel and any subcontracted personnel.
- 18.2.5 The Supplier's Representative may, subject to the approval of the Purchaser (which shall not be unreasonably withheld), at any time delegate to any person any of the powers, functions, and authorities vested in him or her. Any such delegation may be revoked at any time. Any such delegation or revocation shall be subject to a prior notice signed by the Supplier's Representative and shall specify the powers, functions, and authorities thereby delegated or revoked. No such delegation or revocation shall take effect unless and until the notice of it has been delivered.
- 18.2.6 Any act or exercise by any person of powers, functions and authorities so delegated to him or her in accordance with GCC Clause 18.2.5 shall be deemed to be an act or exercise by the Supplier's

Representative.

18.3 Objections and Removals

18.3.1 The Purchaser may by notice to the Supplier object to any representative or person employed by the Supplier in the execution of the Contract who, in the reasonable opinion of the Purchaser, may have behaved inappropriately, be incompetent, or be negligent. The Purchaser shall provide evidence of the same, whereupon the Supplier shall remove such person from work on the System.

18.3.2 If any representative or person employed by the Supplier is removed in accordance with GCC Clause 18.3.1, the Supplier shall, where required, promptly appoint a replacement.

19. Project Plan

19.1 In close cooperation with the Purchaser and based on the Preliminary Project Plan included in the Supplier's bid, the Supplier shall develop a Project Plan encompassing the activities specified in the Contract. The contents of the Project Plan shall be as **specified in the SCC** and/or Technical Requirements.

19.2 The Supplier shall formally present to the Purchaser the Project Plan in accordance with the procedure specified in the SCC.

19.3 If required, the impact on the Implementation Schedule of modifications agreed during finalization of the Agreed and Finalized Project Plan shall be incorporated in the Contract by amendment, in accordance with GCC Clauses 39 and 40.

19.4 The Supplier shall undertake to supply, install, test, and commission the System in accordance with the Agreed and Finalized Project Plan and the Contract.

19.5 The Progress and other reports **specified in the SCC** shall be prepared by the Supplier and submitted to the Purchaser in the format and frequency specified in the Technical Requirements.

20. Subcontracting

20.1 Appendix 3 (List of Approved Subcontractors) to the Contract Agreement specifies critical items of supply or services and a list of Subcontractors for each item that are considered acceptable by the Purchaser. If no Subcontractors are listed for an item, the Supplier shall

prepare a list of Subcontractors it considers qualified and wishes to be added to the list for such items. The Supplier may from time to time propose additions to or deletions from any such list. The Supplier shall submit any such list or any modification to the list to the Purchaser for its approval in sufficient time so as not to impede the progress of work on the System. The Purchaser shall not withhold such approval unreasonably. Such approval by the Purchaser of a Subcontractor(s) shall not relieve the Supplier from any of its obligations, duties, or responsibilities under the Contract.

20.2 The Supplier may, at its discretion, select and employ Subcontractors for such critical items from those Subcontractors listed pursuant to GCC Clause 20.1. If the Supplier wishes to employ a Subcontractor not so listed, or subcontract an item not so listed, it must seek the Purchaser's prior approval under GCC Clause 20.3.

20.3 For items for which pre-approved Subcontractor lists have not been specified in Appendix 3 to the Contract Agreement, the Supplier may employ such Subcontractors as it may select, provided: (i) the Supplier notifies the Purchaser in writing at least twenty-eight (28) days prior to the proposed mobilization date for such Subcontractor; and (ii) by the end of this period either the Purchaser has granted its approval in writing or fails to respond. The Supplier shall not engage any Subcontractor to which the Purchaser has objected in writing prior to the end of the notice period. The absence of a written objection by the Purchaser during the above specified period shall constitute formal acceptance of the proposed Subcontractor. Except to the extent that it permits the deemed approval of the Purchaser of Subcontractors not listed in the Contract Agreement, nothing in this Clause, however, shall limit the rights and obligations of either the Purchaser or Supplier as they are specified in GCC Clauses 20.1 and 20.2, in the SCC, or in Appendix 3 of the Contract Agreement.

21. Design and Engineering 21.1 Technical Specifications and Drawings

21.1.1 The Supplier shall execute the basic and detailed design and the implementation activities necessary for successful installation of the System in compliance with the provisions of the Contract or, where not so specified, in accordance with good industry practice.

The Supplier shall be responsible for any

discrepancies, errors or omissions in the specifications, drawings, and other technical documents that it has prepared, whether such specifications, drawings, and other documents have been approved by the Project Manager or not, provided that such discrepancies, errors, or omissions are not because of inaccurate information furnished in writing to the Supplier by or on behalf of the Purchaser.

21.1.2 The Supplier shall be entitled to disclaim responsibility for any design, data, drawing, specification, or other document, or any modification of such design, drawings, specification, or other documents provided or designated by or on behalf of the Purchaser, by giving a notice of such disclaimer to the Project Manager.

21.2 Codes and Standards

Wherever references are made in the Contract to codes and standards in accordance with which the Contract shall be executed, the edition or the revised version of such codes and standards current at the date twenty-eight (28) days prior to date of bid submission shall apply unless otherwise **specified in the SCC**. During Contract execution, any changes in such codes and standards shall be applied after approval by the Purchaser and shall be treated in accordance with GCC Clause 39.3.

21.3 Approval/Review of Technical Documents by the Project Manager

21.3.1 The Supplier shall prepare and furnish to the Project Manager the documents as **specified in the SCC** for the Project Manager's approval or review.

Any part of the System covered by or related to the documents to be approved by the Project Manager shall be executed only after the Project Manager's approval of these documents.

GCC Clauses 21.3.2 through 21.3.7 shall apply to those documents requiring the Project Manager's approval, but not to those furnished to the Project Manager for its review only.

21.3.2 Within fourteen (14) days after receipt by the Project

Manager of any document requiring the Project Manager's approval in accordance with GCC Clause 21.3.1, the Project Manager shall either return one copy of the document to the Supplier with its approval endorsed on the document or shall notify the Supplier in writing of its disapproval of the document and the reasons for disapproval and the modifications that the Project Manager proposes. If the Project Manager fails to take such action within the fourteen (14) days, then the document shall be deemed to have been approved by the Project Manager.

21.3.3 The Project Manager shall not disapprove any document except on the grounds that the document does not comply with some specified provision of the Contract or that it is contrary to good industry practice.

21.3.4 If the Project Manager disapproves the document, the Supplier shall modify the document and resubmit it for the Project Manager's approval in accordance with GCC Clause 21.3.2. If the Project Manager approves the document subject to modification(s), the Supplier shall make the required modification(s), and the document shall then be deemed to have been approved, subject to GCC Clause 21.3.5. The procedure set out in GCC Clauses 21.3.2 through 21.3.4 shall be repeated, as appropriate, until the Project Manager approves such documents.

21.3.5 If any dispute occurs between the Purchaser and the Supplier in connection with or arising out of the disapproval by the Project Manager of any document and/or any modification(s) to a document that cannot be settled between the parties within a reasonable period, then, in case the Contract Agreement includes and names an Adjudicator, such dispute may be referred to the Adjudicator for determination in accordance with GCC Clause 6.1 (Adjudicator). If such dispute is referred to an Adjudicator, the Project Manager shall give instructions as to whether and if so, how, performance of the Contract is to proceed. The Supplier shall proceed with the Contract in accordance with the Project Manager's instructions, provided that if the Adjudicator upholds the Supplier's view on the dispute and if the Purchaser

has not given notice under GCC Clause 6.1.2, then the Supplier shall be reimbursed by the Purchaser for any additional costs incurred by reason of such instructions and shall be relieved of such responsibility or liability in connection with the dispute and the execution of the instructions as the Adjudicator shall decide, and the Time for Achieving Operational Acceptance shall be extended accordingly.

21.3.6 The Project Manager's approval, with or without modification of the document furnished by the Supplier, shall not relieve the Supplier of any responsibility or liability imposed upon it by any provisions of the Contract except to the extent that any subsequent failure results from modifications required by the Project Manager or inaccurate information furnished in writing to the Supplier by or on behalf of the Purchaser.

21.3.7 The Supplier shall not depart from any approved document unless the Supplier has first submitted to the Project Manager an amended document and obtained the Project Manager's approval of the document, pursuant to the provisions of this GCC Clause 21.3. If the Project Manager requests any change in any already approved document and/or in any document based on such an approved document, the provisions of GCC Clause 39 (Changes to the System) shall apply to such request.

**22. Procurement,
Delivery, and
Transport**

22.1 Subject to related Purchaser's responsibilities pursuant to GCC Clauses 10 and 14, the Supplier shall manufacture or procure and transport all the Information Technologies, Materials, and other Goods in an expeditious and orderly manner to the Project Site.

22.2 Delivery of the Information Technologies, Materials, and other Goods shall be made by the Supplier in accordance with the Technical Requirements.

22.3 Early or partial deliveries require the explicit written consent of the Purchaser, which consent shall not be unreasonably withheld.

22.4 Transportation

22.4.1 The Supplier shall provide such packing of the Goods

as is required to prevent their damage or deterioration during shipment. The packing, marking, and documentation within and outside the packages shall comply strictly with the Purchaser's instructions to the Supplier.

22.4.2 The Supplier will bear responsibility for and cost of transport to the Project Sites in accordance with the terms and conditions used in the specification of prices in the Price Schedules, including the terms and conditions of the associated Incoterms.

22.4.3 Unless otherwise **specified in the SCC**, the Supplier shall be free to use transportation through carriers registered in any eligible country and to obtain insurance from any eligible source country.

22.5 Unless otherwise **specified in the SCC**, the Supplier will provide the Purchaser with shipping and other documents, as specified below:

22.5.1 For Goods supplied from outside the Purchaser's Country:

Upon shipment, the Supplier shall notify the Purchaser and the insurance company contracted by the Supplier to provide cargo insurance by telex, cable, facsimile, electronic mail, or EDI with the full details of the shipment. The Supplier shall promptly send the following documents to the Purchaser by mail or courier, as appropriate, with a copy to the cargo insurance company:

- (a) two copies of the Supplier's invoice showing the description of the Goods, quantity, unit price, and total amount;
- (b) usual transportation documents;
- (c) insurance certificate;
- (d) certificate(s) of origin; and
- (e) estimated time and point of arrival in the Purchaser's Country and at the site.

22.5.2 For Goods supplied locally (i.e., from within the Purchaser's country):

Upon shipment, the Supplier shall notify the Purchaser by telex, cable, facsimile, electronic mail, or EDI with the full details of the shipment. The Supplier shall promptly send the following documents to the Purchaser by mail or courier, as appropriate:

- (a) two copies of the Supplier's invoice showing the Goods' description, quantity, unit price, and total amount;
- (b) delivery note, railway receipt, or truck receipt;
- (c) certificate of insurance;
- (d) certificate(s) of origin; and
- (e) estimated time of arrival at the site.

22.6 Customs Clearance

- (a) The Purchaser will bear responsibility for, and cost of, customs clearance into the Purchaser's country in accordance the particular Incoterm(s) used for Goods supplied from outside the Purchaser's country in the Price Schedules referred to by Article 2 of the Contract Agreement.
- (b) At the request of the Purchaser, the Supplier will make available a representative or agent during the process of customs clearance in the Purchaser's country for goods supplied from outside the Purchaser's country. In the event of delays in customs clearance that are not the fault of the Supplier:
 - (i) the Supplier shall be entitled to an extension in the Time for Achieving Operational Acceptance, pursuant to GCC Clause 40;
 - (ii) the Contract Price shall be adjusted to compensate the Supplier for any additional storage charges that the Supplier may incur as a result of the delay.

23. Product Upgrades

- 23.1 At any point during performance of the Contract, should technological advances be introduced by the Supplier for Information Technologies originally offered by the Supplier in its bid and still to be delivered, the Supplier shall be obligated to offer to the Purchaser the latest versions of the available Information Technologies having equal or better

performance or functionality at the same or lesser unit prices, pursuant to GCC Clause 39 (Changes to the System).

- 23.2 At any point during performance of the Contract, for Information Technologies still to be delivered, the Supplier will also pass on to the Purchaser any cost reductions and additional and/or improved support and facilities that it offers to other clients of the Supplier in the Purchaser's Country, pursuant to GCC Clause 39 (Changes to the System).
- 23.3 During performance of the Contract, the Supplier shall offer to the Purchaser all new versions, releases, and updates of Standard Software, as well as related documentation and technical support services, within thirty (30) days of their availability from the Supplier to other clients of the Supplier in the Purchaser's Country, and no later than twelve (12) months after they are released in the country of origin. In no case will the prices for these Software exceed those quoted by the Supplier in the Recurrent Costs tables in its bid.
- 23.4 During the Warranty Period, unless otherwise **specified in the SCC**, the Supplier will provide at no additional cost to the Purchaser all new versions, releases, and updates for all Standard Software that are used in the System, within thirty (30) days of their availability from the Supplier to other clients of the Supplier in the Purchaser's country, and no later than twelve (12) months after they are released in the country of origin of the Software.
- 23.5 The Purchaser shall introduce all new versions, releases or updates of the Software within eighteen (18) months of receipt of a production-ready copy of the new version, release, or update, provided that the new version, release, or update does not adversely affect System operation or performance or require extensive reworking of the System. In cases where the new version, release, or update adversely affects System operation or performance, or requires extensive reworking of the System, the Supplier shall continue to support and maintain the version or release previously in operation for as long as necessary to allow introduction of the new version, release, or update. In no case shall the Supplier stop supporting or maintaining a version or release of the Software less than twenty four (24) months after the Purchaser receives a production-ready copy of a subsequent version, release, or update. The Purchaser shall use all reasonable endeavors to implement any new

version, release, or update as soon as practicable, subject to the twenty-four-month-long stop date.

**24. Implementation,
Installation, and
Other Services**

24.1 The Supplier shall provide all Services specified in the Contract and Agreed and Finalized Project Plan in accordance with the highest standards of professional competence and integrity.

24.2 Prices charged by the Supplier for Services, if not included in the Contract, shall be agreed upon in advance by the parties (including, but not restricted to, any prices submitted by the Supplier in the Recurrent Cost Schedules of its Bid) and shall not exceed the prevailing rates charged by the Supplier to other purchasers in the Purchaser's Country for similar services.

**25. Inspections and
Tests**

25.1 The Purchaser or its representative shall have the right to inspect and/or test any components of the System, as specified in the Technical Requirements, to confirm their good working order and/or conformity to the Contract at the point of delivery and/or at the Project Site.

25.2 The Purchaser or its representative shall be entitled to attend any such inspections and/or tests of the components, provided that the Purchaser shall bear all costs and expenses incurred in connection with such attendance, including but not limited to all inspection agent fees, travel, and related expenses.

25.3 Should the inspected or tested components fail to conform to the Contract, the Purchaser may reject the component(s), and the Supplier shall either replace the rejected component(s), or make alterations as necessary so that it meets the Contract requirements free of cost to the Purchaser.

25.4 The Project Manager may require the Supplier to carry out any inspection and/or test not specified in the Contract, provided that the Supplier's reasonable costs and expenses incurred in the carrying out of such inspection and/or test shall be added to the Contract Price. Further, if such inspection and/or test impedes the progress of work on the System and/or the Supplier's performance of its other obligations under the Contract, due allowance will be made in respect of the Time for Achieving Operational Acceptance and the other obligations so affected.

25.5 If any dispute shall arise between the parties in connection with or caused by an inspection and/or with regard to any

component to be incorporated in the System that cannot be settled amicably between the parties within a reasonable period of time, either party may invoke the process pursuant to GCC Clause 6 (Settlement of Disputes), starting with referral of the matter to the Adjudicator in case an Adjudicator is included and named in the Contract Agreement.

26. Installation of the System

26.1 As soon as the System, or any Subsystem, has, in the opinion of the Supplier, been delivered, Pre-commissioned, and made ready for Commissioning and Operational Acceptance Testing in accordance with the Technical Requirements, the SCC and the Agreed and Finalized Project Plan, the Supplier shall so notify the Purchaser in writing.

26.2 The Project Manager shall, within fourteen (14) days after receipt of the Supplier's notice under GCC Clause 26.1, either issue an Installation Certificate in the form specified in the Sample Forms Section in the Bidding Documents, stating that the System, or major component or Subsystem (if Acceptance by major component or Subsystem is specified pursuant to the SCC for GCC Clause 27.2.1), has achieved Installation by the date of the Supplier's notice under GCC Clause 26.1, or notify the Supplier in writing of any defects and/or deficiencies, including, but not limited to, defects or deficiencies in the interoperability or integration of the various components and/or Subsystems making up the System. The Supplier shall use all reasonable endeavors to promptly remedy any defect and/or deficiencies that the Project Manager has notified the Supplier of. The Supplier shall then promptly carry out retesting of the System or Subsystem and, when in the Supplier's opinion the System or Subsystem is ready for Commissioning and Operational Acceptance Testing, notify the Purchaser in writing, in accordance with GCC Clause 26.1. The procedure set out in this GCC Clause 26.2 shall be repeated, as necessary, until an Installation Certificate is issued.

26.3 If the Project Manager fails to issue the Installation Certificate and fails to inform the Supplier of any defects and/or deficiencies within fourteen (14) days after receipt of the Supplier's notice under GCC Clause 26.1, or if the Purchaser puts the System or a Subsystem into production operation, then the System (or Subsystem) shall be deemed to have achieved successful Installation as of the date of the Supplier's notice or repeated notice, or when the Purchaser

put the System into production operation, as the case may be.

27. Commissioning and Operational Acceptance

27.1 Commissioning

27.1.1 Commissioning of the System (or Subsystem if specified pursuant to the SCC for GCC Clause 27.2.1) shall be commenced by the Supplier:

- (a) immediately after the Installation Certificate is issued by the Project Manager, pursuant to GCC Clause 26.2; or
- (b) as otherwise specified in the Technical Requirement or the Agreed and Finalized Project Plan; or
- (c) immediately after Installation is deemed to have occurred, under GCC Clause 26.3.

27.1.2 The Purchaser shall supply the operating and technical personnel and all materials and information reasonably required to enable the Supplier to carry out its obligations with respect to Commissioning.

Production use of the System or Subsystem(s) shall not commence prior to the start of formal Operational Acceptance Testing.

27.2 Operational Acceptance Tests

27.2.1 The Operational Acceptance Tests (and repeats of such tests) shall be the primary responsibility of the Purchaser (in accordance with GCC Clause 10.9), but shall be conducted with the full cooperation of the Supplier during Commissioning of the System (or major components or Subsystem[s] if **specified in the SCC** and supported by the Technical Requirements), to ascertain whether the System (or major component or Subsystem[s]) conforms to the Technical Requirements and meets the standard of performance quoted in the Supplier's bid, including, but not restricted to, the functional and technical performance requirements. The Operational Acceptance Tests during Commissioning will be conducted as **specified in the SCC**, the Technical Requirements and/or the Agreed and Finalized Project Plan.

At the Purchaser's discretion, Operational Acceptance Tests may also be performed on replacement Goods, upgrades and new version releases, and Goods that are added or field-modified after Operational Acceptance of the System.

27.2.2 If for reasons attributable to the Purchaser, the Operational Acceptance Test of the System (or Subsystem[s] or major components, pursuant to the SCC for GCC Clause 27.2.1) cannot be successfully completed within the period **specified in the SCC**, from the date of Installation or any other period agreed upon in writing by the Purchaser and the Supplier, the Supplier shall be deemed to have fulfilled its obligations with respect to the technical and functional aspects of the Technical Specifications, SCC and/or the Agreed and Finalized Project Plan, and GCC Clause 28.2 and 28.3 shall not apply.

27.3 Operational Acceptance

27.3.1 Subject to GCC Clause 27.4 (Partial Acceptance) below, Operational Acceptance shall occur in respect of the System, when

- (a) the Operational Acceptance Tests, as specified in the Technical Requirements, and/or SCC and/or the Agreed and Finalized Project Plan have been successfully completed; or
- (b) the Operational Acceptance Tests have not been successfully completed or have not been carried out for reasons that are attributable to the Purchaser within the period from the date of Installation or any other agreed-upon period as specified in GCC Clause 27.2.2 above; or
- (c) the Purchaser has put the System into production or use for sixty (60) consecutive days. If the System is put into production or use in this manner, the Supplier shall notify the Purchaser and document such use.

27.3.2 At any time after any of the events set out in GCC Clause 27.3.1 have occurred, the Supplier may give a notice to the Project Manager requesting the issue of an Operational Acceptance Certificate.

27.3.3 After consultation with the Purchaser, and within fourteen (14) days after receipt of the Supplier's notice, the Project Manager shall:

- (a) issue an Operational Acceptance Certificate; or
- (b) notify the Supplier in writing of any defect or deficiencies or other reason for the failure of the Operational Acceptance Tests; or
- (c) issue the Operational Acceptance Certificate, if the situation covered by GCC Clause 27.3.1 (b) arises.

27.3.4 The Supplier shall use all reasonable endeavors to promptly remedy any defect and/or deficiencies and/or other reasons for the failure of the Operational Acceptance Test that the Project Manager has notified the Supplier of. Once such remedies have been made by the Supplier, the Supplier shall notify the Purchaser, and the Purchaser, with the full cooperation of the Supplier, shall use all reasonable endeavors to promptly carry out retesting of the System or Subsystem. Upon the successful conclusion of the Operational Acceptance Tests, the Supplier shall notify the Purchaser of its request for Operational Acceptance Certification, in accordance with GCC Clause 27.3.3. The Purchaser shall then issue to the Supplier the Operational Acceptance Certification in accordance with GCC Clause 27.3.3 (a), or shall notify the Supplier of further defects, deficiencies, or other reasons for the failure of the Operational Acceptance Test. The procedure set out in this GCC Clause 27.3.4 shall be repeated, as necessary, until an Operational Acceptance Certificate is issued.

27.3.5 If the System or Subsystem fails to pass the Operational Acceptance Test(s) in accordance with GCC Clause 27.2, then either:

- (a) the Purchaser may consider terminating the Contract, pursuant to GCC Clause 41.2.2;
- or
- (b) if the failure to achieve Operational Acceptance within the specified time period is a result of the failure of the Purchaser to fulfill its

obligations under the Contract, then the Supplier shall be deemed to have fulfilled its obligations with respect to the relevant technical and functional aspects of the Contract, and GCC Clauses 30.3 and 30.4 shall not apply.

27.3.6 If within fourteen (14) days after receipt of the Supplier's notice the Project Manager fails to issue the Operational Acceptance Certificate or fails to inform the Supplier in writing of the justifiable reasons why the Project Manager has not issued the Operational Acceptance Certificate, the System or Subsystem shall be deemed to have been accepted as of the date of the Supplier's said notice.

27.4 Partial Acceptance

27.4.1 If so specified in the SCC for GCC Clause 27.2.1, Installation and Commissioning shall be carried out individually for each identified major component or Subsystem(s) of the System. In this event, the provisions in the Contract relating to Installation and Commissioning, including the Operational Acceptance Test, shall apply to each such major component or Subsystem individually, and Operational Acceptance Certificate(s) shall be issued accordingly for each such major component or Subsystem of the System, subject to the limitations contained in GCC Clause 27.4.2.

27.4.2 The issuance of Operational Acceptance Certificates for individual major components or Subsystems pursuant to GCC Clause 27.4.1 shall not relieve the Supplier of its obligation to obtain an Operational Acceptance Certificate for the System as an integrated whole (if so specified in the SCC for GCC Clauses 12.1 and 27.2.1) once all major components and Subsystems have been supplied, installed, tested, and commissioned.

27.4.3 In the case of minor components for the System that by their nature do not require Commissioning or an Operational Acceptance Test (e.g., minor fittings, furnishings or site works, etc.), the Project Manager shall issue an Operational Acceptance Certificate within fourteen (14) days after the fittings and/or furnishings have been delivered and/or installed or the site works have been completed. The Supplier shall, however, use all reasonable endeavors to promptly

remedy any defects or deficiencies in such minor components detected by the Purchaser or Supplier.

F. GUARANTEES AND LIABILITIES

28. Operational Acceptance Time Guarantee

- 28.1 The Supplier guarantees that it shall complete the supply, Installation, Commissioning, and achieve Operational Acceptance of the System (or Subsystems, pursuant to the SCC for GCC Clause 27.2.1) within the time periods specified in the Implementation Schedule in the Technical Requirements Section and/or the Agreed and Finalized Project Plan pursuant to GCC Clause 8.2, or within such extended time to which the Supplier shall be entitled under GCC Clause 40 (Extension of Time for Achieving Operational Acceptance).
- 28.2 If the Supplier fails to supply, install, commission, and achieve Operational Acceptance of the System (or Subsystems pursuant to the SCC for GCC Clause 27.2.1) within the time for achieving Operational Acceptance specified in the Implementation Schedule in the Technical Requirement or the Agreed and Finalized Project Plan, or any extension of the time for achieving Operational Acceptance previously granted under GCC Clause 40 (Extension of Time for Achieving Operational Acceptance), the Supplier shall pay to the Purchaser liquidated damages at the rate **specified in the SCC** as a percentage of the Contract Price, or the relevant part of the Contract Price if a Subsystem has not achieved Operational Acceptance. The aggregate amount of such liquidated damages shall in no event exceed the amount specified in the SCC (“the Maximum”). Once the Maximum is reached, the Purchaser may consider termination of the Contract, pursuant to GCC Clause 41.2.2.
- 28.3 Unless otherwise **specified in the SCC**, liquidated damages payable under GCC Clause 28.2 shall apply only to the failure to achieve Operational Acceptance of the System (and Subsystems) as specified in the Implementation Schedule in the Technical Requirements and/or Agreed and Finalized Project Plan. This Clause 28.3 shall not limit, however, any other rights or remedies the Purchaser may have under the Contract for other delays.
- 28.4 If liquidated damages are claimed by the Purchaser for the System (or Subsystem), the Supplier shall have no further liability whatsoever to the Purchaser in respect to the Operational Acceptance time guarantee for the System (or

Subsystem). However, the payment of liquidated damages shall not in any way relieve the Supplier from any of its obligations to complete the System or from any other of its obligations and liabilities under the Contract.

29. Defect Liability

- 29.1 The Supplier warrants that the System, including all Information Technologies, Materials, and other Goods supplied and Services provided, shall be free from defects in the design, engineering, Materials, and workmanship that prevent the System and/or any of its components from fulfilling the Technical Requirements or that limit in a material fashion the performance, reliability, or extensibility of the System and/or Subsystems. Exceptions and/or limitations, if any, to this warranty with respect to Software (or categories of Software), shall be as **specified in the SCC**. Commercial warranty provisions of products supplied under the Contract shall apply to the extent that they do not conflict with the provisions of this Contract.
- 29.2 The Supplier also warrants that the Information Technologies, Materials, and other Goods supplied under the Contract are new, unused, and incorporate all recent improvements in design that materially affect the System's or Subsystem's ability to fulfill the Technical Requirements.
- 29.3 In addition, the Supplier warrants that: (i) all Goods components to be incorporated into the System form part of the Supplier's and/or Subcontractor's current product lines, (ii) they have been previously released to the market, and (iii) those specific items **identified in the SCC** (if any) have been in the market for at least the minimum periods **specified in the SCC**.
- 29.4 The Warranty Period shall commence from the date of Operational Acceptance of the System (or of any major component or Subsystem for which separate Operational Acceptance is provided for in the Contract) and shall extend for the length of time **specified in the SCC**.
- 29.5 If during the Warranty Period any defect as described in GCC Clause 29.1 should be found in the design, engineering, Materials, and workmanship of the Information Technologies and other Goods supplied or of the Services provided by the Supplier, the Supplier shall promptly, in consultation and agreement with the Purchaser regarding appropriate remedying of the defects, and at its sole cost, repair, replace, or otherwise make good (as the Supplier

shall, at its discretion, determine) such defect as well as any damage to the System caused by such defect. Any defective Information Technologies or other Goods that have been replaced by the Supplier shall remain the property of the Supplier.

29.6 The Supplier shall not be responsible for the repair, replacement, or making good of any defect or of any damage to the System arising out of or resulting from any of the following causes:

- (a) improper operation or maintenance of the System by the Purchaser;
- (b) normal wear and tear;
- (c) use of the System with items not supplied by the Supplier, unless otherwise identified in the Technical Requirements, or approved by the Supplier; or
- (d) modifications made to the System by the Purchaser, or a third party, not approved by the Supplier.

29.7 The Supplier's obligations under this GCC Clause 29 shall not apply to:

- (a) any materials that are normally consumed in operation or have a normal life shorter than the Warranty Period; or
- (b) any designs, specifications, or other data designed, supplied, or specified by or on behalf of the Purchaser or any matters for which the Supplier has disclaimed responsibility, in accordance with GCC Clause 21.1.2.

29.8 The Purchaser shall give the Supplier a notice promptly following the discovery of such defect, stating the nature of any such defect together with all available evidence. The Purchaser shall afford all reasonable opportunity for the Supplier to inspect any such defect. The Purchaser shall afford the Supplier all necessary access to the System and the site to enable the Supplier to perform its obligations under this GCC Clause 29.

29.9 The Supplier may, with the consent of the Purchaser, remove from the site any Information Technologies and other Goods that are defective, if the nature of the defect, and/or any damage to the System caused by the defect, is such that repairs cannot be expeditiously carried out at the site. If the

repair, replacement, or making good is of such a character that it may affect the efficiency of the System, the Purchaser may give the Supplier notice requiring that tests of the defective part be made by the Supplier immediately upon completion of such remedial work, whereupon the Supplier shall carry out such tests.

If such part fails the tests, the Supplier shall carry out further repair, replacement, or making good (as the case may be) until that part of the System passes such tests. The tests shall be agreed upon by the Purchaser and the Supplier.

- 29.10 If the Supplier fails to commence the work necessary to remedy such defect or any damage to the System caused by such defect within the time period **specified in the SCC**, the Purchaser may, following notice to the Supplier, proceed to do such work or contract a third party (or parties) to do such work, and the reasonable costs incurred by the Purchaser in connection with such work shall be paid to the Purchaser by the Supplier or may be deducted by the Purchaser from any monies due the Supplier or claimed under the Performance Security.
- 29.11 If the System or Subsystem cannot be used by reason of such defect and/or making good of such defect, the Warranty Period for the System shall be extended by a period equal to the period during which the System or Subsystem could not be used by the Purchaser because of such defect and/or making good of such defect.
- 29.12 Items substituted for defective parts of the System during the Warranty Period shall be covered by the Defect Liability Warranty for the remainder of the Warranty Period applicable for the part replaced or three (3) months, whichever is greater.
- 29.13 At the request of the Purchaser and without prejudice to any other rights and remedies that the Purchaser may have against the Supplier under the Contract, the Supplier will offer all possible assistance to the Purchaser to seek warranty services or remedial action from any subcontracted third-party producers or licensor of Goods included in the System, including without limitation assignment or transfer in favor of the Purchaser of the benefit of any warranties given by such producers or licensors to the Supplier.

30. Functional Guarantees

- 30.1 The Supplier guarantees that, once the Operational Acceptance Certificate(s) has been issued, the System represents a complete, integrated solution to the Purchaser's requirements set forth in the Technical Requirements and it conforms to all other aspects of the Contract. The Supplier acknowledges that GCC Clause 27 regarding Commissioning and Operational Acceptance governs how technical conformance of the System to the Contract requirements will be determined.
- 30.2 If, for reasons attributable to the Supplier, the System does not conform to the Technical Requirements or does not conform to all other aspects of the Contract, the Supplier shall at its cost and expense make such changes, modifications, and/or additions to the System as may be necessary to conform to the Technical Requirements and meet all functional and performance standards. The Supplier shall notify the Purchaser upon completion of the necessary changes, modifications, and/or additions and shall request the Purchaser to repeat the Operational Acceptance Tests until the System achieves Operational Acceptance.
- 30.3 If the System (or Subsystem[s]) fails to achieve Operational Acceptance, the Purchaser may consider termination of the Contract, pursuant to GCC Clause 41.2.2, and forfeiture of the Supplier's Performance Security in accordance with GCC Clause 13.3 in compensation for the extra costs and delays likely to result from this failure.

31. Intellectual Property Rights Warranty

- 31.1 The Supplier hereby represents and warrants that:
- (a) the System as supplied, installed, tested, and accepted;
 - (b) use of the System in accordance with the Contract; and
 - (c) copying of the Software and Materials provided to the Purchaser in accordance with the Contract

do not and will not infringe any Intellectual Property Rights held by any third party and that it has all necessary rights or at its sole expense shall have secured in writing all transfers of rights and other consents necessary to make the assignments, licenses, and other transfers of Intellectual Property Rights and the warranties set forth in the Contract, and for the Purchaser to own or exercise all Intellectual Property Rights as provided in the Contract. Without limitation, the Supplier shall secure all necessary written agreements, consents, and transfers of rights from its

employees and other persons or entities whose services are used for development of the System.

**32. Intellectual
Property Rights
Indemnity**

32.1 The Supplier shall indemnify and hold harmless the Purchaser and its employees and officers from and against any and all losses, liabilities, and costs (including losses, liabilities, and costs incurred in defending a claim alleging such a liability), that the Purchaser or its employees or officers may suffer as a result of any infringement or alleged infringement of any Intellectual Property Rights by reason of:

- (a) installation of the System by the Supplier or the use of the System, including the Materials, in the country where the site is located;
- (b) copying of the Software and Materials provided the Supplier in accordance with the Agreement; and
- (c) sale of the products produced by the System in any country, except to the extent that such losses, liabilities, and costs arise as a result of the Purchaser's breach of GCC Clause 32.2.

32.2 Such indemnity shall not cover any use of the System, including the Materials, other than for the purpose indicated by or to be reasonably inferred from the Contract, any infringement resulting from the use of the System, or any products of the System produced thereby in association or combination with any other goods or services not supplied by the Supplier, where the infringement arises because of such association or combination and not because of use of the System in its own right.

32.3 Such indemnities shall also not apply if any claim of infringement:

- (a) is asserted by a parent, subsidiary, or affiliate of the Purchaser's organization;
- (b) is a direct result of a design mandated by the Purchaser's Technical Requirements and the possibility of such infringement was duly noted in the Supplier's Bid; or
- (c) results from the alteration of the System, including the Materials, by the Purchaser or any persons other than

the Supplier or a person authorized by the Supplier.

- 32.4 If any proceedings are brought or any claim is made against the Purchaser arising out of the matters referred to in GCC Clause 32.1, the Purchaser shall promptly give the Supplier notice of such proceedings or claims, and the Supplier may at its own expense and in the Purchaser's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim.

If the Supplier fails to notify the Purchaser within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Purchaser shall be free to conduct the same on its own behalf. Unless the Supplier has so failed to notify the Purchaser within the twenty-eight (28) days, the Purchaser shall make no admission that may be prejudicial to the defense of any such proceedings or claim. The Purchaser shall, at the Supplier's request, afford all available assistance to the Supplier in conducting such proceedings or claim and shall be reimbursed by the Supplier for all reasonable expenses incurred in so doing.

- 32.5 The Purchaser shall indemnify and hold harmless the Supplier and its employees, officers, and Subcontractors from and against any and all losses, liabilities, and costs (including losses, liabilities, and costs incurred in defending a claim alleging such a liability) that the Supplier or its employees, officers, or Subcontractors may suffer as a result of any infringement or alleged infringement of any Intellectual Property Rights arising out of or in connection with any design, data, drawing, specification, or other documents or materials provided to the Supplier in connection with this Contract by the Purchaser or any persons (other than the Supplier) contracted by the Purchaser, except to the extent that such losses, liabilities, and costs arise as a result of the Supplier's breach of GCC Clause 32.8.

- 32.6 Such indemnity shall not cover

- (a) any use of the design, data, drawing, specification, or other documents or materials, other than for the purpose indicated by or to be reasonably inferred from the Contract;

- (b) any infringement resulting from the use of the design, data, drawing, specification, or other documents or materials, or any products produced thereby, in association or combination with any other Goods or Services not provided by the Purchaser or any other person contracted by the Purchaser, where the infringement arises because of such association or combination and not because of the use of the design, data, drawing, specification, or other documents or materials in its own right.

32.7 Such indemnities shall also not apply:

- (a) if any claim of infringement is asserted by a parent, subsidiary, or affiliate of the Supplier's organization;
- (b) to the extent that any claim of infringement is caused by the alteration, by the Supplier, or any persons contracted by the Supplier, of the design, data, drawing, specification, or other documents or materials provided to the Supplier by the Purchaser or any persons contracted by the Purchaser.

32.8 If any proceedings are brought or any claim is made against the Supplier arising out of the matters referred to in GCC Clause 32.5, the Supplier shall promptly give the Purchaser notice of such proceedings or claims, and the Purchaser may at its own expense and in the Supplier's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim. If the Purchaser fails to notify the Supplier within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Supplier shall be free to conduct the same on its own behalf. Unless the Purchaser has so failed to notify the Supplier within the twenty-eight (28) days, the Supplier shall make no admission that may be prejudicial to the defense of any such proceedings or claim. The Supplier shall, at the Purchaser's request, afford all available assistance to the Purchaser in conducting such proceedings or claim and shall be reimbursed by the Purchaser for all reasonable expenses incurred in so doing.

**33. Limitation
Liability**

of 33.1 Provided the following does not exclude or limit any liabilities of either party in ways not permitted by applicable law:

- (a) the Supplier shall not be liable to the Purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the Supplier to pay liquidated damages to the Purchaser; and
- (b) the aggregate liability of the Supplier to the Purchaser, whether under the Contract, in tort or otherwise, shall not exceed the total Contract Price, provided that this limitation shall not apply to any obligation of the Supplier to indemnify the Purchaser with respect to intellectual property rights infringement.

G. RISK DISTRIBUTION

- | | |
|----------------------------------|---|
| 34. Transfer of Ownership | <p>34.1 With the exception of Software and Materials, the ownership of the Information Technologies and other Goods shall be transferred to the Purchaser at the time of Delivery or otherwise under terms that may be agreed upon and specified in the Contract Agreement.</p> <p>34.2 Ownership and the terms of usage of the Software and Materials supplied under the Contract shall be governed by GCC Clause 15 (Copyright) and any elaboration in the Technical Requirements.</p> <p>34.3 Ownership of the Supplier's Equipment used by the Supplier and its Subcontractors in connection with the Contract shall remain with the Supplier or its Subcontractors.</p> |
| 35. Care of the System | <p>35.1 The Purchaser shall become responsible for the care and custody of the System or Subsystems upon their Delivery. The Purchaser shall make good at its own cost any loss or damage that may occur to the System or Subsystems from any cause from the date of Delivery until the date of Operational Acceptance of the System or Subsystems, pursuant to GCC Clause 27 (Commissioning and Operational Acceptance), excepting such loss or damage arising from acts or omissions of the Supplier, its employees, or subcontractors.</p> <p>35.2 If any loss or damage occurs to the System or any part of the System by reason of:</p> <ul style="list-style-type: none"> (a) (insofar as they relate to the country where the Project |

Site is located) nuclear reaction, nuclear radiation, radioactive contamination, a pressure wave caused by aircraft or other aerial objects, or any other occurrences that an experienced contractor could not reasonably foresee, or if reasonably foreseeable could not reasonably make provision for or insure against, insofar as such risks are not normally insurable on the insurance market and are mentioned in the general exclusions of the policy of insurance taken out under GCC Clause 37;

- (b) any use not in accordance with the Contract, by the Purchaser or any third party;
- (c) any use of or reliance upon any design, data, or specification provided or designated by or on behalf of the Purchaser, or any such matter for which the Supplier has disclaimed responsibility in accordance with GCC Clause 21.1.2,

the Purchaser shall pay to the Supplier all sums payable in respect of the System or Subsystems that have achieved Operational Acceptance, notwithstanding that the same be lost, destroyed, or damaged. If the Purchaser requests the Supplier in writing to make good any loss or damage to the System thereby occasioned, the Supplier shall make good the same at the cost of the Purchaser in accordance with GCC Clause 39. If the Purchaser does not request the Supplier in writing to make good any loss or damage to the System thereby occasioned, the Purchaser shall either request a change in accordance with GCC Clause 39, excluding the performance of that part of the System thereby lost, destroyed, or damaged, or, where the loss or damage affects a substantial part of the System, the Purchaser shall terminate the Contract pursuant to GCC Clause 41.1.

35.3 The Purchaser shall be liable for any loss of or damage to any Supplier's Equipment which the Purchaser has authorized to locate within the Purchaser's premises for use in fulfillment of Supplier's obligations under the Contract, except where such loss or damage arises from acts or omissions of the Supplier, its employees, or subcontractors.

36. Loss of Damage Property; Accident or **36.1** The Supplier and each and every Subcontractor shall abide by the job safety, insurance, customs, and immigration measures prevalent and laws in force in the Purchaser's

**Injury to
Workers;
Indemnification**

Country.

- 36.2 Subject to GCC Clause 36.3, the Supplier shall indemnify and hold harmless the Purchaser and its employees and officers from and against any and all losses, liabilities and costs (including losses, liabilities, and costs incurred in defending a claim alleging such a liability) that the Purchaser or its employees or officers may suffer as a result of the death or injury of any person or loss of or damage to any property (other than the System, whether accepted or not) arising in connection with the supply, installation, testing, and Commissioning of the System and by reason of the negligence of the Supplier or its Subcontractors, or their employees, officers or agents, except any injury, death, or property damage caused by the negligence of the Purchaser, its contractors, employees, officers, or agents.
- 36.3 If any proceedings are brought or any claim is made against the Purchaser that might subject the Supplier to liability under GCC Clause 36.2, the Purchaser shall promptly give the Supplier notice of such proceedings or claims, and the Supplier may at its own expense and in the Purchaser's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim. If the Supplier fails to notify the Purchaser within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Purchaser shall be free to conduct the same on its own behalf. Unless the Supplier has so failed to notify the Purchaser within the twenty-eight (28) day period, the Purchaser shall make no admission that may be prejudicial to the defense of any such proceedings or claim. The Purchaser shall, at the Supplier's request, afford all available assistance to the Supplier in conducting such proceedings or claim and shall be reimbursed by the Supplier for all reasonable expenses incurred in so doing.
- 36.4 The Purchaser shall indemnify and hold harmless the Supplier and its employees, officers, and Subcontractors from any and all losses, liabilities, and costs (including losses, liabilities, and costs incurred in defending a claim alleging such a liability) that the Supplier or its employees, officers, or Subcontractors may suffer as a result of the death or personal injury of any person or loss of or damage to property of the Purchaser, other than the System not yet achieving Operational Acceptance, that is caused by fire,

explosion, or any other perils, in excess of the amount recoverable from insurances procured under GCC Clause 37 (Insurances), provided that such fire, explosion, or other perils were not caused by any act or failure of the Supplier.

- 36.5 If any proceedings are brought or any claim is made against the Supplier that might subject the Purchaser to liability under GCC Clause 36.4, the Supplier shall promptly give the Purchaser notice of such proceedings or claims, and the Purchaser may at its own expense and in the Supplier's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim. If the Purchaser fails to notify the Supplier within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Supplier shall be free to conduct the same on its own behalf. Unless the Purchaser has so failed to notify the Supplier within the twenty-eight (28) days, the Supplier shall make no admission that may be prejudicial to the defense of any such proceedings or claim. The Supplier shall, at the Purchaser's request, afford all available assistance to the Purchaser in conducting such proceedings or claim and shall be reimbursed by the Purchaser for all reasonable expenses incurred in so doing.
- 36.6 The party entitled to the benefit of an indemnity under this GCC Clause 36 shall take all reasonable measures to mitigate any loss or damage that has occurred. If the party fails to take such measures, the other party's liabilities shall be correspondingly reduced.

37. Insurances

- 37.1 The Supplier shall at its expense take out and maintain in effect, or cause to be taken out and maintained in effect, during the performance of the Contract, the insurance set forth below. The identity of the insurers and the form of the policies shall be subject to the approval of the Purchaser, who should not unreasonably withhold such approval.
- (a) Cargo Insurance During Transport
- as applicable, 110 percent of the price of the Information Technologies and other Goods in a freely convertible currency, covering the Goods from physical loss or damage during shipment through receipt at the Project Site.
- (b) Installation "All Risks" Insurance

as applicable, 110 percent of the price of the Information Technologies and other Goods covering the Goods at the site from all risks of physical loss or damage (excluding only perils commonly excluded under “all risks” insurance policies of this type by reputable insurers) occurring prior to Operational Acceptance of the System.

(c) Third-Party Liability Insurance

On terms as **specified in the SCC**, covering bodily injury or death suffered by third parties (including the Purchaser’s personnel) and loss of or damage to property (including the Purchaser’s property and any Subsystems that have been accepted by the Purchaser) occurring in connection with the supply and installation of the Information System.

(d) Automobile Liability Insurance

In accordance with the statutory requirements prevailing in the Purchaser’s Country, covering use of all vehicles used by the Supplier or its Subcontractors (whether or not owned by them) in connection with the execution of the Contract.

(e) Other Insurance (if any), as **specified in the SCC**.

37.2 The Purchaser shall be named as co-insured under all insurance policies taken out by the Supplier pursuant to GCC Clause 37.1, except for the Third-Party Liability, and the Supplier’s Subcontractors shall be named as co-insured under all insurance policies taken out by the Supplier pursuant to GCC Clause 37.1 except for Cargo Insurance During Transport. All insurer’s rights of subrogation against such co-insured for losses or claims arising out of the performance of the Contract shall be waived under such policies.

37.3 The Supplier shall deliver to the Purchaser certificates of insurance (or copies of the insurance policies) as evidence that the required policies are in full force and effect.

37.4 The Supplier shall ensure that, where applicable, its Subcontractor(s) shall take out and maintain in effect adequate insurance policies for their personnel and vehicles and for work executed by them under the Contract, unless such Subcontractors are covered by the policies taken out by

the Supplier.

37.5 If the Supplier fails to take out and/or maintain in effect the insurance referred to in GCC Clause 37.1, the Purchaser may take out and maintain in effect any such insurance and may from time to time deduct from any amount due the Supplier under the Contract any premium that the Purchaser shall have paid to the insurer or may otherwise recover such amount as a debt due from the Supplier.

37.6 Unless otherwise provided in the Contract, the Supplier shall prepare and conduct all and any claims made under the policies effected by it pursuant to this GCC Clause 37, and all monies payable by any insurers shall be paid to the Supplier. The Purchaser shall give to the Supplier all such reasonable assistance as may be required by the Supplier in connection with any claim under the relevant insurance policies. With respect to insurance claims in which the Purchaser's interest is involved, the Supplier shall not give any release or make any compromise with the insurer without the prior written consent of the Purchaser. With respect to insurance claims in which the Supplier's interest is involved, the Purchaser shall not give any release or make any compromise with the insurer without the prior written consent of the Supplier.

38. Force Majeure

38.1 "Force Majeure" shall mean any event beyond the reasonable control of the Purchaser or of the Supplier, as the case may be, and which is unavoidable notwithstanding the reasonable care of the party affected and shall include, without limitation, the following:

- (a) war, hostilities, or warlike operations (whether a state of war be declared or not), invasion, act of foreign enemy, and civil war;
- (b) rebellion, revolution, insurrection, mutiny, usurpation of civil or military government, conspiracy, riot, civil commotion, and terrorist acts;
- (c) confiscation, nationalization, mobilization, commandeering or requisition by or under the order of any government or de jure or de facto authority or ruler, or any other act or failure to act of any local state or national government authority;
- (d) strike, sabotage, lockout, embargo, import restriction, port congestion, lack of usual means of public

transportation and communication, industrial dispute, shipwreck, shortage or restriction of power supply, epidemics, quarantine, and plague;

- (e) earthquake, landslide, volcanic activity, fire, flood or inundation, tidal wave, typhoon or cyclone, hurricane, storm, lightning, or other inclement weather condition, nuclear and pressure waves, or other natural or physical disaster;
- (f) failure, by the Supplier, to obtain the necessary export permit(s) from the governments of the Country(s) of Origin of the Information Technologies or other Goods, or Supplier's Equipment provided that the Supplier has made all reasonable efforts to obtain the required export permit(s), including the exercise of due diligence in determining the eligibility of the System and all of its components for receipt of the necessary export permits.

38.2 If either party is prevented, hindered, or delayed from or in performing any of its obligations under the Contract by an event of Force Majeure, then it shall notify the other in writing of the occurrence of such event and the circumstances of the event of Force Majeure within fourteen (14) days after the occurrence of such event.

38.3 The party who has given such notice shall be excused from the performance or punctual performance of its obligations under the Contract for so long as the relevant event of Force Majeure continues and to the extent that such party's performance is prevented, hindered, or delayed. The Time for Achieving Operational Acceptance shall be extended in accordance with GCC Clause 40 (Extension of Time for Achieving Operational Acceptance).

38.4 The party or parties affected by the event of Force Majeure shall use reasonable efforts to mitigate the effect of the event of Force Majeure upon its or their performance of the Contract and to fulfill its or their obligations under the Contract, but without prejudice to either party's right to terminate the Contract under GCC Clause 38.6.

38.5 No delay or nonperformance by either party to this Contract caused by the occurrence of any event of Force Majeure shall:

- (a) constitute a default or breach of the Contract;
- (b) (subject to GCC Clauses 35.2, 38.3, and 38.4) give rise to any claim for damages or additional cost or expense occasioned by the delay or nonperformance,

if, and to the extent that, such delay or nonperformance is caused by the occurrence of an event of Force Majeure.

- 38.6 If the performance of the Contract is substantially prevented, hindered, or delayed for a single period of more than sixty (60) days or an aggregate period of more than one hundred and twenty (120) days on account of one or more events of Force Majeure during the time period covered by the Contract, the parties will attempt to develop a mutually satisfactory solution, failing which, either party may terminate the Contract by giving a notice to the other.
- 38.7 In the event of termination pursuant to GCC Clause 38.6, the rights and obligations of the Purchaser and the Supplier shall be as specified in GCC Clauses 41.1.2 and 41.1.3.
- 38.8 Notwithstanding GCC Clause 38.5, Force Majeure shall not apply to any obligation of the Purchaser to make payments to the Supplier under this Contract.

H. CHANGE IN CONTRACT ELEMENTS

39. Changes to the System

39.1 Introducing a Change

39.1.1 Subject to GCC Clauses 39.2.5 and 39.2.7, the Purchaser shall have the right to propose, and subsequently require, the Project Manager to order the Supplier from time to time during the performance of the Contract to make any change, modification, addition, or deletion to, in, or from the System (interchangeably called “Change”), provided that such Change falls within the general scope of the System, does not constitute unrelated work, and is technically practicable, taking into account both the state of advancement of the System and the technical compatibility of the Change envisaged with the nature of the System as originally specified in the Contract.

A Change may involve, but is not restricted to, the substitution of updated Information Technologies

and related Services in accordance with GCC Clause 23 (Product Upgrades).

- 39.1.2 The Supplier may from time to time during its performance of the Contract propose to the Purchaser (with a copy to the Project Manager) any Change that the Supplier considers necessary or desirable to improve the quality or efficiency of the System. The Purchaser may at its discretion approve or reject any Change proposed by the Supplier.
- 39.1.3 Notwithstanding GCC Clauses 39.1.1 and 39.1.2, no change made necessary because of any default of the Supplier in the performance of its obligations under the Contract shall be deemed to be a Change, and such change shall not result in any adjustment of the Contract Price or the Time for Achieving Operational Acceptance.
- 39.1.4 The procedure on how to proceed with and execute Changes is specified in GCC Clauses 39.2 and 39.3, and further details and sample forms are provided in the Sample Forms Section in the Bidding Documents.
- 39.1.5 Moreover, the Purchaser and Supplier will agree, during development of the Project Plan, to a date prior to the scheduled date for Operational Acceptance, after which the Technical Requirements for the System shall be “frozen.” Any Change initiated after this time will be dealt with after Operational Acceptance.

39.2 Changes Originating from Purchaser

- 39.2.1 If the Purchaser proposes a Change pursuant to GCC Clauses 39.1.1, it shall send to the Supplier a “Request for Change Proposal,” requiring the Supplier to prepare and furnish to the Project Manager as soon as reasonably practicable a “Change Proposal,” which shall include the following:
- (a) brief description of the Change;
 - (b) impact on the Time for Achieving Operational

Acceptance;

- (c) detailed estimated cost of the Change;
- (d) effect on Functional Guarantees (if any);
- (e) effect on any other provisions of the Contract.

39.2.2 Prior to preparing and submitting the “Change Proposal,” the Supplier shall submit to the Project Manager an “Change Estimate Proposal,” which shall be an estimate of the cost of preparing the Change Proposal, plus a first approximation of the suggested approach and cost for implementing the changes. Upon receipt of the Supplier’s Change Estimate Proposal, the Purchaser shall do one of the following:

- (a) accept the Supplier’s estimate with instructions to the Supplier to proceed with the preparation of the Change Proposal;
- (b) advise the Supplier of any part of its Change Estimate Proposal that is unacceptable and request the Supplier to review its estimate;
- (c) advise the Supplier that the Purchaser does not intend to proceed with the Change.

39.2.3 Upon receipt of the Purchaser’s instruction to proceed under GCC Clause 39.2.2 (a), the Supplier shall, with proper expedition, proceed with the preparation of the Change Proposal, in accordance with GCC Clause 39.2.1. The Supplier, at its discretion, may specify a validity period for the Change Proposal, after which if the Purchaser and Supplier has not reached agreement in accordance with GCC Clause 39.2.6, then GCC Clause 39.2.7 shall apply.

39.2.4 The pricing of any Change shall, as far as practicable, be calculated in accordance with the rates and prices included in the Contract. If the nature of the Change is such that the Contract rates and prices are inequitable, the parties to the Contract shall agree on other specific rates to be used for valuing the Change.

39.2.5 If before or during the preparation of the Change Proposal it becomes apparent that the aggregate impact of compliance with the Request for Change Proposal and with all other Change Orders that have already become binding upon the Supplier under this GCC Clause 39 would be to increase or decrease the Contract Price as originally set forth in Article 2 (Contract Price) of the Contract Agreement by more than fifteen (15) percent, the Supplier may give a written notice of objection to this Request for Change Proposal prior to furnishing the Change Proposal. If the Purchaser accepts the Supplier's objection, the Purchaser shall withdraw the proposed Change and shall notify the Supplier in writing of its acceptance.

The Supplier's failure to so object to a Request for Change Proposal shall neither affect its right to object to any subsequent requested Changes or Change Orders, nor affect its right to take into account, when making such subsequent objection, the percentage increase or decrease in the Contract Price that any Change not objected to by the Supplier represents.

39.2.6 Upon receipt of the Change Proposal, the Purchaser and the Supplier shall mutually agree upon all matters contained in the Change Proposal. Within fourteen (14) days after such agreement, the Purchaser shall, if it intends to proceed with the Change, issue the Supplier a Change Order. If the Purchaser is unable to reach a decision within fourteen (14) days, it shall notify the Supplier with details of when the Supplier can expect a decision. If the Purchaser decides not to proceed with the Change for whatever reason, it shall, within the said period of fourteen (14) days, notify the Supplier accordingly. Under such circumstances, the Supplier shall be entitled to reimbursement of all costs reasonably incurred by it in the preparation of the Change Proposal, provided that these do not exceed the amount given by the Supplier in its Change Estimate Proposal submitted in accordance with GCC Clause 39.2.2.

39.2.7 If the Purchaser and the Supplier cannot reach

agreement on the price for the Change, an equitable adjustment to the Time for Achieving Operational Acceptance, or any other matters identified in the Change Proposal, the Change will not be implemented. However, this provision does not limit the rights of either party under GCC Clause 6 (Settlement of Disputes).

39.3 Changes Originating from Supplier

If the Supplier proposes a Change pursuant to GCC Clause 39.1.2, the Supplier shall submit to the Project Manager a written "Application for Change Proposal," giving reasons for the proposed Change and including the information specified in GCC Clause 39.2.1. Upon receipt of the Application for Change Proposal, the parties shall follow the procedures outlined in GCC Clauses 39.2.6 and 39.2.7. However, should the Purchaser choose not to proceed or the Purchaser and the Supplier cannot come to agreement on the change during any validity period that the Supplier may specify in its Application for Change Proposal, the Supplier shall not be entitled to recover the costs of preparing the Application for Change Proposal, unless subject to an agreement between the Purchaser and the Supplier to the contrary.

40. Extension Time Achieving Operational Acceptance

of 40.1 The time(s) for achieving Operational Acceptance specified in the Schedule of Implementation shall be extended if the Supplier is delayed or impeded in the performance of any of its obligations under the Contract by reason of any of the following:

- (a) any Change in the System as provided in GCC Clause 39 (Change in the Information System);
- (b) any occurrence of Force Majeure as provided in GCC Clause 38 (Force Majeure);
- (c) default of the Purchaser; or
- (d) any other matter specifically mentioned in the Contract;

by such period as shall be fair and reasonable in all the circumstances and as shall fairly reflect the delay or impediment sustained by the Supplier.

40.2 Except where otherwise specifically provided in the

Contract, the Supplier shall submit to the Project Manager a notice of a claim for an extension of the time for achieving Operational Acceptance, together with particulars of the event or circumstance justifying such extension as soon as reasonably practicable after the commencement of such event or circumstance. As soon as reasonably practicable after receipt of such notice and supporting particulars of the claim, the Purchaser and the Supplier shall agree upon the period of such extension. In the event that the Supplier does not accept the Purchaser's estimate of a fair and reasonable time extension, the Supplier shall be entitled to refer the matter to the provisions for the Settlement of Disputes pursuant to GCC Clause 6.

40.3 The Supplier shall at all times use its reasonable efforts to minimize any delay in the performance of its obligations under the Contract.

41. Termination

41.1 Termination for Purchaser's Convenience

41.1.1 The Purchaser may at any time terminate the Contract for any reason by giving the Supplier a notice of termination that refers to this GCC Clause 41.1.

41.1.2 Upon receipt of the notice of termination under GCC Clause 41.1.1, the Supplier shall either as soon as reasonably practical or upon the date specified in the notice of termination

- (a) cease all further work, except for such work as the Purchaser may specify in the notice of termination for the sole purpose of protecting that part of the System already executed, or any work required to leave the site in a clean and safe condition;
- (b) terminate all subcontracts, except those to be assigned to the Purchaser pursuant to GCC Clause 41.1.2 (d) (ii) below;
- (c) remove all Supplier's Equipment from the site, repatriate the Supplier's and its Subcontractors' personnel from the site, remove from the site any wreckage, rubbish, and debris of any kind;
- (d) in addition, the Supplier, subject to the payment

specified in GCC Clause 41.1.3, shall

- (i) deliver to the Purchaser the parts of the System executed by the Supplier up to the date of termination;
- (ii) to the extent legally possible, assign to the Purchaser all right, title, and benefit of the Supplier to the System, or Subsystem, as at the date of termination, and, as may be required by the Purchaser, in any subcontracts concluded between the Supplier and its Subcontractors;
- (iii) deliver to the Purchaser all nonproprietary drawings, specifications, and other documents prepared by the Supplier or its Subcontractors as of the date of termination in connection with the System.

41.1.3 In the event of termination of the Contract under GCC Clause 41.1.1, the Purchaser shall pay to the Supplier the following amounts:

- (a) the Contract Price, properly attributable to the parts of the System executed by the Supplier as of the date of termination;
- (b) the costs reasonably incurred by the Supplier in the removal of the Supplier's Equipment from the site and in the repatriation of the Supplier's and its Subcontractors' personnel;
- (c) any amount to be paid by the Supplier to its Subcontractors in connection with the termination of any subcontracts, including any cancellation charges;
- (d) costs incurred by the Supplier in protecting the System and leaving the site in a clean and safe condition pursuant to GCC Clause 41.1.2 (a); and
- (e) the cost of satisfying all other obligations, commitments, and claims that the Supplier may in good faith have undertaken with third parties in connection with the Contract and that are not covered by GCC Clauses 41.1.3 (a) through (d)

above.

41.2 Termination for Supplier's Default

41.2.1 The Purchaser, without prejudice to any other rights or remedies it may possess, may terminate the Contract forthwith in the following circumstances by giving a notice of termination and its reasons therefore to the Supplier, referring to this GCC Clause 41.2:

- (a) if the Supplier becomes bankrupt or insolvent, has a receiving order issued against it, compounds with its creditors, or, if the Supplier is a corporation, a resolution is passed or order is made for its winding up (other than a voluntary liquidation for the purposes of amalgamation or reconstruction), a receiver is appointed over any part of its undertaking or assets, or if the Supplier takes or suffers any other analogous action in consequence of debt;
- (b) if the Supplier assigns or transfers the Contract or any right or interest therein in violation of the provision of GCC Clause 42 (Assignment); or
- (c) if the Supplier, in the judgment of the Purchaser, has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices, in competing for or in executing the Contract, including but not limited to willful misrepresentation of facts concerning ownership of Intellectual Property Rights in, or proper authorization and/or licenses from the owner to offer, the hardware, software, or materials provided under this Contract.

For the purposes of this Clause:

- (i) “corrupt practice”¹ is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

¹ “Another party” refers to a public official acting in relation to the procurement process or contract execution]. In this context, “public official” includes World Bank staff and employees of other organizations taking or reviewing procurement decisions.

- (ii) “fraudulent practice”¹ is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
- (iii) “collusive practice”² is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
- (iv) “coercive practice”³ is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
- (v) “obstructive practice” is
 - (aa) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or
 - (bb) acts intended to materially impede the exercise of the Bank’s inspection and audit rights provided for under Sub-Clause 9.8.

41.2.2 If the Supplier:

¹ A “party” refers to a public official; the terms “benefit” and “obligation” relate to the procurement process or contract execution; and the “act or omission” is intended to influence the procurement process or contract execution.

² “Parties” refers to participants in the procurement process (including public officials) attempting to establish bid prices at artificial, non competitive levels.

³ A “party” refers to a participant in the procurement process or contract execution.

- (a) has abandoned or repudiated the Contract;
- (b) has without valid reason failed to commence work on the System promptly;
- (c) persistently fails to execute the Contract in accordance with the Contract or persistently neglects to carry out its obligations under the Contract without just cause;
- (d) refuses or is unable to provide sufficient Materials, Services, or labor to execute and complete the System in the manner specified in the Agreed and Finalized Project Plan furnished under GCC Clause 19 at rates of progress that give reasonable assurance to the Purchaser that the Supplier can attain Operational Acceptance of the System by the Time for Achieving Operational Acceptance as extended;

then the Purchaser may, without prejudice to any other rights it may possess under the Contract, give a notice to the Supplier stating the nature of the default and requiring the Supplier to remedy the same. If the Supplier fails to remedy or to take steps to remedy the same within fourteen (14) days of its receipt of such notice, then the Purchaser may terminate the Contract forthwith by giving a notice of termination to the Supplier that refers to this GCC Clause 41.2.

41.2.3 Upon receipt of the notice of termination under GCC Clauses 41.2.1 or 41.2.2, the Supplier shall, either immediately or upon such date as is specified in the notice of termination:

- (a) cease all further work, except for such work as the Purchaser may specify in the notice of termination for the sole purpose of protecting that part of the System already executed or any work required to leave the site in a clean and safe condition;
- (b) terminate all subcontracts, except those to be assigned to the Purchaser pursuant to GCC Clause 41.2.3 (d) below;
- (c) deliver to the Purchaser the parts of the System

executed by the Supplier up to the date of termination;

(d) to the extent legally possible, assign to the Purchaser all right, title and benefit of the Supplier to the System or Subsystems as at the date of termination, and, as may be required by the Purchaser, in any subcontracts concluded between the Supplier and its Subcontractors;

(e) deliver to the Purchaser all drawings, specifications, and other documents prepared by the Supplier or its Subcontractors as at the date of termination in connection with the System.

41.2.4 The Purchaser may enter upon the site, expel the Supplier, and complete the System itself or by employing any third party. Upon completion of the System or at such earlier date as the Purchaser thinks appropriate, the Purchaser shall give notice to the Supplier that such Supplier's Equipment will be returned to the Supplier at or near the site and shall return such Supplier's Equipment to the Supplier in accordance with such notice. The Supplier shall thereafter without delay and at its cost remove or arrange removal of the same from the site.

41.2.5 Subject to GCC Clause 41.2.6, the Supplier shall be entitled to be paid the Contract Price attributable to the portion of the System executed as at the date of termination and the costs, if any, incurred in protecting the System and in leaving the site in a clean and safe condition pursuant to GCC Clause 41.2.3 (a). Any sums due the Purchaser from the Supplier accruing prior to the date of termination shall be deducted from the amount to be paid to the Supplier under this Contract.

41.2.6 If the Purchaser completes the System, the cost of completing the System by the Purchaser shall be determined. If the sum that the Supplier is entitled to be paid, pursuant to GCC Clause 41.2.5, plus the reasonable costs incurred by the Purchaser in completing the System, exceeds the Contract Price, the Supplier shall be liable for such excess. If such excess is greater than the sums due the Supplier under GCC Clause 41.2.5, the Supplier shall pay the

balance to the Purchaser, and if such excess is less than the sums due the Supplier under GCC Clause 41.2.5, the Purchaser shall pay the balance to the Supplier. The Purchaser and the Supplier shall agree, in writing, on the computation described above and the manner in which any sums shall be paid.

41.3 Termination by Supplier

41.3.1 If:

- (a) the Purchaser has failed to pay the Supplier any sum due under the Contract within the specified period, has failed to approve any invoice or supporting documents without just cause **pursuant to the SCC**, or commits a substantial breach of the Contract, the Supplier may give a notice to the Purchaser that requires payment of such sum, with interest on this sum as stipulated in GCC Clause 12.3, requires approval of such invoice or supporting documents, or specifies the breach and requires the Purchaser to remedy the same, as the case may be. If the Purchaser fails to pay such sum together with such interest, fails to approve such invoice or supporting documents or give its reasons for withholding such approval, fails to remedy the breach or take steps to remedy the breach within fourteen (14) days after receipt of the Supplier's notice; or
- (b) the Supplier is unable to carry out any of its obligations under the Contract for any reason attributable to the Purchaser, including but not limited to the Purchaser's failure to provide possession of or access to the site or other areas or failure to obtain any governmental permit necessary for the execution and/or completion of the System;

then the Supplier may give a notice to the Purchaser of such events, and if the Purchaser has failed to pay the outstanding sum, to approve the invoice or supporting documents, to give its reasons for withholding such approval, or to remedy the breach within twenty-eight (28) days of such notice, or if the Supplier is still unable to carry out any of its

obligations under the Contract for any reason attributable to the Purchaser within twenty-eight (28) days of the said notice, the Supplier may by a further notice to the Purchaser referring to this GCC Clause 41.3.1, forthwith terminate the Contract.

41.3.2 The Supplier may terminate the Contract immediately by giving a notice to the Purchaser to that effect, referring to this GCC Clause 41.3.2, if the Purchaser becomes bankrupt or insolvent, has a receiving order issued against it, compounds with its creditors, or, being a corporation, if a resolution is passed or order is made for its winding up (other than a voluntary liquidation for the purposes of amalgamation or reconstruction), a receiver is appointed over any part of its undertaking or assets, or if the Purchaser takes or suffers any other analogous action in consequence of debt.

41.3.3 If the Contract is terminated under GCC Clauses 41.3.1 or 41.3.2, then the Supplier shall immediately:

- (a) cease all further work, except for such work as may be necessary for the purpose of protecting that part of the System already executed, or any work required to leave the site in a clean and safe condition;
- (b) terminate all subcontracts, except those to be assigned to the Purchaser pursuant to Clause 41.3.3 (d) (ii);
- (c) remove all Supplier's Equipment from the site and repatriate the Supplier's and its Subcontractor's personnel from the site.
- (d) In addition, the Supplier, subject to the payment specified in GCC Clause 41.3.4, shall:
 - (i) deliver to the Purchaser the parts of the System executed by the Supplier up to the date of termination;
 - (ii) to the extent legally possible, assign to the Purchaser all right, title, and benefit of the Supplier to the System, or Subsystems, as of the date of termination, and, as may be

required by the Purchaser, in any subcontracts concluded between the Supplier and its Subcontractors;

- (iii) to the extent legally possible, deliver to the Purchaser all drawings, specifications, and other documents prepared by the Supplier or its Subcontractors as of the date of termination in connection with the System.

41.3.4 If the Contract is terminated under GCC Clauses 41.3.1 or 41.3.2, the Purchaser shall pay to the Supplier all payments specified in GCC Clause 41.1.3, and reasonable compensation for all loss, except for loss of profit, or damage sustained by the Supplier arising out of, in connection with, or in consequence of such termination.

41.3.5 Termination by the Supplier pursuant to this GCC Clause 41.3 is without prejudice to any other rights or remedies of the Supplier that may be exercised in lieu of or in addition to rights conferred by GCC Clause 41.3.

41.4 In this GCC Clause 41, the expression “portion of the System executed” shall include all work executed, Services provided, and all Information Technologies, or other Goods acquired (or subject to a legally binding obligation to purchase) by the Supplier and used or intended to be used for the purpose of the System, up to and including the date of termination.

41.5 In this GCC Clause 41, in calculating any monies due from the Purchaser to the Supplier, account shall be taken of any sum previously paid by the Purchaser to the Supplier under the Contract, including any advance payment paid **pursuant to the SCC**.

42. Assignment

42.1 Neither the Purchaser nor the Supplier shall, without the express prior written consent of the other, assign to any third party the Contract or any part thereof, or any right, benefit, obligation, or interest therein or thereunder, except that the Supplier shall be entitled to assign either absolutely or by way of charge any monies due and payable to it or that may become due and payable to it under the Contract.

SECTION V. SPECIAL CONDITIONS OF CONTRACT (SCC)

Table of Clauses

A. Contract and Interpretation	140
1. Definitions (GCC Clause 1).....	140
2. Contract Documents (GCC Clause 2).....	140
3. Interpretation (GCC Clause 3).....	140
4. Notices (GCC Clause 4)	141
5. Governing Law (GCC Clause 5).....	141
6. Settlement of Disputes (GCC Clause 6)	141
B. Subject Matter of Contract	142
7. Scope of the System (GCC Clause 7).....	142
8. Time for Commencement and Operational Acceptance (GCC Clause 8).....	143
9. Supplier’s Responsibilities (GCC Clause 9).....	143
10. Purchaser’s Responsibilities (GCC Clause 10)	143
C. Payment.....	143
11. Contract Price (GCC Clause 11).....	143
12. Terms of Payment (GCC Clause 12)	143
13. Securities (GCC Clause 13).....	145
14. Taxes and Duties (GCC Clause 14).....	146
D. Intellectual Property	146
15. Copyright (GCC Clause 15)	146
16. Software License Agreements (GCC Clause 16).....	147
17. Confidential Information (GCC Clause 17).....	147
E. Supply, Installation, Testing, Commissioning, and Acceptance of the System	148
18. Representatives (GCC Clause 18)	148
19. Project Plan (GCC Clause 19)	148
20. Subcontracting (GCC Clause 20)	150
21. Design and Engineering (GCC Clause 21).....	151
22. Procurement, Delivery, and Transport (GCC Clause 22).....	151
23. Product Upgrades (GCC Clause 23).....	151
24. Implementation, Installation, and Other Services (GCC Clause 24).....	151
25. Inspections and Tests (GCC Clause 25)	152
26. Installation of the System (GCC Clause 26).....	152
27. Commissioning and Operational Acceptance (GCC Clause 27).....	152
F. Guarantees and Liabilities.....	153
28. Operational Acceptance Time Guarantee (GCC Clause 28)	153
29. Defect Liability (GCC Clause 29)	153
30. Functional Guarantees (GCC Clause 30).....	154
31. Intellectual Property Rights Warranty (GCC Clause 31)	154
32. Intellectual Property Rights Indemnity (GCC Clause 32).....	154

33. Limitation of Liability (GCC Clause 33).....	154
G. Risk Distribution.....	154
34. Transfer of Ownership (GCC Clause 34)	154
35. Care of the System (GCC Clause 35)	154
36. Loss of or Damage to Property; Accident or Injury to Workers; Indemnification (GCC Clause 36).....	155
37. Insurances (GCC Clause 37).....	155
38. Force Majeure (GCC Clause 38)	155
H. Change in Contract Elements.....	155
39. Changes to the System (GCC Clause 39)	155
40. Extension of Time for Achieving Operational Acceptance (GCC Clause 40)	156
41. Termination (GCC Clause 41).....	156
42. Assignment (GCC Clause 42).....	156

Special Conditions of Contract

The following Special Conditions of Contract (SCC) shall supplement or amend the General Conditions of Contract (GCC). Whenever there is a conflict, the provisions of the SCC shall prevail over those in the General Conditions of Contract. For the purposes of clarity, any referenced GCC clause numbers are indicated in the left column of the SCC.

A. CONTRACT AND INTERPRETATION

1. Definitions (GCC Clause 1)

GCC 1.1 (a) (ix)	The applicable edition of the Procurement Guidelines is dated: edition of May 2004 revised during October 2006 and May 2010.
GCC 1.1 (b) (i)	The Purchaser is: The Royal Monetary Authority of Bhutan
GCC 1.1 (b) (ii)	The Project Manager is: Mr. Sangay Dorji, examining officer, Financial Regulation and Supervision Department.
GCC 1.1 (e) (i)	The Purchaser's Country is: Bhutan
GCC 1.1 (e) (iii)	The Project Site(s) is: The Royal Securities Exchange of Bhutan Limited.
GCC 1.1 (e) (x)	The Contract shall continue in force until the Information System and all the Services have been provided unless the Contract is terminated earlier in accordance with the terms set out in the Contract.
GCC 1.1. (e) (xii)	The Post-Warranty Services Period is five years starting with the completion of the Warranty Period.

2. Contract Documents (GCC Clause 2)

GCC 2	There are no Special Conditions of Contract applicable to GCC Clause 2.
-------	---

3. Interpretation (GCC Clause 3)

GCC 3.1.1	The Contract's governing language is English
-----------	--

--	--

4. Notices (GCC Clause 4)

GCC 4.3	<p>Address of the Project Manager Sangay Dorji Royal Monetary Authority Chhophel Lam, Kawajangsa Thimphu Bhutan. Phone: 323111, 323112, 323110 ext 130,219 Fax: 322487</p> <p>Email: sdorji@rma.org.bt Cc : dphuntsho@rma.org.bt</p> <p>Fallback address of the Purchaser:</p> <p>Dorji Phuntsho CEO Royal Securities Exchange of Bhutan Norzin Lam Thimphu Bhutan. Phone: +975-2-323995 Fax: +975-2-323849 Email: dphuntsho@rma.org.bt</p>
---------	---

5. Governing Law (GCC Clause 5)

GCC 5.1	The Contract shall be interpreted in accordance with the laws of: Kingdom of Bhutan
---------	--

6. Settlement of Disputes (GCC Clause 6)

GCC 6.1.4	The Appointing Authority for the Adjudicator is: RMA
GCC 6.2.3	<p>Arbitration proceedings shall be conducted in accordance with the rules of arbitration as per the laws of RGOB. These rules, in the version in force at the time of the request for arbitration, will be deemed to form part of this Contract.</p> <p>Any dispute between the Purchaser and a Supplier arising in connection with the present Contract shall be referred to</p>

	arbitration in accordance with the laws of the Purchaser's country.
--	---

B. SUBJECT MATTER OF CONTRACT

7. Scope of the System (GCC Clause 7)

GCC 7.3	<p>The Supplier's obligations under the Contract will include the following recurrent cost items, as identified in the Recurrent Cost tables in the Supplier's Bid:</p> <p>The recurrent cost items/services that are included in the Contract; also provide cross reference to the place in the Technical Requirements where each item/service is specified in detail.</p> <p>The recurrent cost items will be the Annual Maintenance Contract (AMC) that will be drawn, for five years after the expiry of warranty term, with the supplier. The AMC will cover all the scope (information technologies) as set out in this documents, which are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">Sl. No</th> <th style="width: 40%;">Information technologies</th> <th style="width: 50%;">Description</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>Infrastructure Development</td> <td>supply of equipment, design network solutions, install and configure network components including servers for database server, application server and web server</td> </tr> <tr> <td style="text-align: center;">2</td> <td>Development of Exchange System</td> <td>Study, analysis, design, develop, test and implement stock exchange system</td> </tr> </tbody> </table> <p>The Supplier agrees to supply all the spare parts and services required for the operation and maintenance of the System, during the warranty period and for the AMC that will commence after the warranty period for the next 5 years. The AMC fee shall remain fixed at 10% of the total contract amount per annum.</p>	Sl. No	Information technologies	Description	1	Infrastructure Development	supply of equipment, design network solutions, install and configure network components including servers for database server, application server and web server	2	Development of Exchange System	Study, analysis, design, develop, test and implement stock exchange system
Sl. No	Information technologies	Description								
1	Infrastructure Development	supply of equipment, design network solutions, install and configure network components including servers for database server, application server and web server								
2	Development of Exchange System	Study, analysis, design, develop, test and implement stock exchange system								

8. Time for Commencement and Operational Acceptance (GCC Clause 8)

GCC 8.1	The Supplier shall commence work on the System within: 30 days from the Effective Date of the Contract.
GCC 8.2	Operational Acceptance will occur on or before: March 1 st 2012

9. Supplier's Responsibilities (GCC Clause 9)

GCC 9.9	The Supplier shall have the following additional responsibilities: <i>none</i>
---------	--

10. Purchaser's Responsibilities (GCC Clause 10)

GCC 10.12	The Purchaser shall have the following additional responsibilities: <i>None</i>
-----------	---

C. PAYMENT**11. Contract Price (GCC Clause 11)**

GCC 11.2 (b)	Adjustments to the Contract Price shall be as follows: <i>None</i>
--------------	--

12. Terms of Payment (GCC Clause 12)

GCC 12.1	<p>Subject to the provisions of GCC Clause 12 (Terms of Payment), the Purchaser shall pay the Contract Price to the Supplier according to the categories and in the manner specified below. Only the categories Advance Payment and Complete System Integration relate to the entire Contract Price. In other payment categories, the term "total Contract Price" means the total cost of goods or services under the specific payment category. Within each such category, the Contract Implementation Schedule may trigger pro-rata payments for the portion of the total Contract Price for the category corresponding to the goods or services actually Delivered, Installed, or Operationally Accepted, at unit prices and in the currencies specified in the Price Schedules of the Contract Agreement.</p> <p>(a) Advance Payment</p>
----------	--

	<p>ten percent (10%) of the entire Contract Price, exclusive of all Recurrent Costs, shall be paid against receipt of a claim accompanied by the Advance Payment Security specified in GCC Clause 13.2.</p> <p>(b) Information Technologies, Materials, and other Goods, with the exception of Custom Software and Custom Materials:</p> <p>sixty percent (60%) of the pro-rata Contract Price for this category against Delivery</p> <p>ten percent (10%) of the pro-rata Contract Price for this category against Installation</p> <p>ten percent (10%) of the pro-rata Contract price for this category against Operational Acceptance.</p> <p>(c) Custom Software and Custom Materials:</p> <p>sixty percent (60%) of the total or pro-rata Contract Price for this category against Installation</p> <p>twenty percent (20%) of the pro-rata Contract price for this category against Operational Acceptance.</p> <p>(d) Services other than Training:</p> <p>eighty percent (80%) of the pro-rata Contract Price for services performed will be paid monthly in arrears, on submission and Purchaser's approval of invoices.</p> <p>(e) Training</p> <p>thirty percent (30%) of the total Contract Price for training services at the start of the full training program</p> <p>fifty percent (50%) of the pro-rata Contract Price for training services performed will be paid monthly in arrears, on submission and approval of appropriate invoices.</p> <p>(f) Complete System Integration</p> <p>ten percent (10%) of the entire Contract Price, exclusive of all Recurrent Costs, as final payment against Operational Acceptance of the System as an integrated whole.</p> <p>(g) Recurrent Costs</p> <p>Infrastructure Development (Equipment/goods/Infrastructure) would be under on-site comprehensive warranty as prescribed by the OEM. The</p>
--	---

	Exchange System will have warranty for one year. Subsequently Information Technologies would be under on-site Comprehensive AMC for five years after the expiry of warranty period. Payment towards on-site comprehensive AMC will be released half yearly basis after completion of each half year period subject to providing satisfactory services and meeting SLA.
GCC 12.3	The Purchaser shall pay to the Supplier interest on the delayed payments at a rate of: 0.5 per annum.
GCC 12.4	For Goods and Services supplied locally, the Purchaser will pay the Supplier in Ngultrum.
GCC 12.5	Payment for Goods supplied from outside the Purchaser's Country shall be in the form of: foreign currency

13. Securities (GCC Clause 13)

GCC 13.2.1	The Supplier shall provide within twenty-eight (28) days of the notification of Contract award an Advance Payment Security in the amount and currency of the Advance Payment specified in SCC for GCC Clause 12.1 above.
GCC 13.2.2	The reduction in value and expiration of the Advance Payment Security are calculated as follows: The 50% of the Advance Payment Security will be recovered by the supplier once the implementing team for the Exchange System is onsite. The remaining 50% will be recovered by the supplier once the Final Acceptance Test (FAT) is completed.
GCC 13.3.1	The Performance Security shall be denominated in Ngultrum for an amount equal to 10 percent of the Contract Price, excluding any Recurrent Costs.
GCC 13.3.4	During the Warranty Period (i.e., after Operational Acceptance of the System), the Performance Security shall be reduced to 2.5 percent of the Contract Price, excluding any Recurrent Costs.

14. Taxes and Duties (GCC Clause 14)

GCC 14	There are no Special Conditions of Contract applicable to GCC Clause 14
--------	---

D. INTELLECTUAL PROPERTY**15. Copyright (GCC Clause 15)**

GCC 15.3	<p>The Purchaser may assign, license, or otherwise voluntarily transfer its contractual rights to use the Standard Software or elements of the Standard Software, without the Supplier's prior written consent, under the following circumstances:</p> <p>None</p>
GCC 15.4	<p>The Purchaser's and Supplier's rights and obligations with respect to Custom Software or elements of the Custom Software are as follows: Supplier acknowledges that all right, title and interest in the Software source code, all Modifications (including Modifications made by Supplier), and Materials are and will remain the exclusive property of the Purchaser and that supplier does not and shall not acquire any ownership, right, title, interest, copyright, trade secret, patent or other proprietary rights in the Software source code, the Modifications or the Materials through this Agreement. Supplier will not claim any title to or take any action that jeopardizes purchaser's rights in the Software, the Modifications or the Materials. To the extent that supplier may nevertheless acquire any right, title or interest in any Software, Modifications or Materials, supplier agrees to assign and, upon its creation, hereby automatically assigns to purchaser all rights, title and interest in such Software, Modifications and Materials, without the necessity of any further consideration.</p> <p>The Purchaser's and Supplier's rights and obligations with respect to Custom Materials or elements of the Custom Materials are as follows: All documents associated with the Software, manuals, works, reports, forms, data, designs, drawings, tables, materials, publications, records, business models, inventions and other work product created in the course of performing its obligations under this Agreement will remain the exclusive property of Purchaser.</p>
GCC 15.5	No software escrow contract is required for the execution of the Contract.

16. Software License Agreements (GCC Clause 16)

GCC 16.1 (a) (iii)	The Standard Software license shall be valid throughout the territory of the Purchaser's Country
GCC 16.1 (a) (iv)	Use of the software shall be subject to the following additional restrictions: None .
GCC 16.1 (b) (ii)	The Software license shall permit the Software to be used or copied for use or transferred to a replacement computer provided the replacement computer falls within approximately the same class of machine and maintains approximately the same number of users, if a multi-user machine.
GCC 16.1 (b) (vi)	The Software license shall permit the Software to be disclosed to and reproduced for use (including a valid sublicense) by support service suppliers or their subcontractors, exclusively for such suppliers or subcontractors in the performance of their support service contracts subject to the same restrictions set forth in this Contract.
GCC 16.1 (b) (vii)	In addition to the persons specified in GCC Clause 16.1 (b) (vi), the Software may be disclosed to, and reproduced for use by, subject to the same restrictions as are set forth in this Contract. : Not applicable
GCC 16.2	The Supplier's right to audit the Standard Software will be subject to the following terms: Not applicable as the software will be developed onsite.

17. Confidential Information (GCC Clause 17)

GCC 17.1	<i>State:</i> There are no modifications to the confidentiality terms expressed in GCC Clause 17.
GCC 17.7	The provisions of this GCC Clause 17 shall survive the termination, for whatever reason, of the Contract for 3 years.

E. SUPPLY, INSTALLATION, TESTING, COMMISSIONING, AND ACCEPTANCE OF THE SYSTEM

18. Representatives (GCC Clause 18)

GCC 18.1	The Purchaser's Project Manager shall have the following additional powers and / or limitations to his or her authority to represent the Purchaser in matters relating to the Contract : no additional powers or limitations.
GCC 18.2.2	The Supplier's Representative shall have the following additional powers and / or limitations to his or her authority to represent the Supplier in matters relating to the Contract no additional powers or limitations.

19. Project Plan (GCC Clause 19)

GCC 19.1	<p>Chapters in the Project Plan shall address the following subject:</p> <ul style="list-style-type: none"> (a) Project Organization and Management Plan (b) Requirement gathering plan and software requirement specification finalization plan for Exchange System and hardware implementation. (c) Design and coding plan for the Exchange System. (d) Delivery and Installation Plan for hardware and third-party software. (e) Operational Acceptance testing plan for hardware and third-party software integration (Infrastructure Development). (f) Training Plan for software and hardware. (g) Delivery and Installation Plan for Exchange System (h) Pre-commissioning and Operational Acceptance Testing Plan for Exchange System (i) Warranty Service Plan (j) Task, Time, and Resource Schedules (k) Hand holding plan (l) Post-Warranty Service Plan for Infrastructure Development and Exchange System
----------	--

GCC 19.2	<p>Within 30 days from the Effective Date of the Contract, the Supplier shall present a Project Plan to the Purchaser. The Purchaser shall, within 7 days of receipt of the Project Plan, notify the Supplier of any respects in which it considers that the Project Plan does not adequately ensure that the proposed program of work, proposed methods, and/or proposed Information Technologies will satisfy the Technical Requirements and/or the SCC (in this Clause 19.2 called “non-conformities” below). The Supplier shall, within 3 days of receipt of such notification, correct the Project Plan and resubmit to the Purchaser. The Purchaser shall, within 5 days of resubmission of the Project Plan, notify the Supplier of any remaining non-conformities. This procedure shall be repeated as necessary until the Project Plan is free from non-conformities. When the Project Plan is free from non-conformities, the Purchaser shall provide confirmation in writing to the Supplier. This approved Project Plan (“the Agreed and Finalized Project Plan”) shall be contractually binding on the Purchaser and the Supplier.</p>
GCC 19.5	<p>The Supplier shall submit to the Purchaser the following reports:</p> <ol style="list-style-type: none"> 1. Weekly Project status reports <ol style="list-style-type: none"> a. The task completed and the task to be undertaken by the group for the following week. 2. Monthly progress reports, summarizing: <ol style="list-style-type: none"> (i) results accomplished during the prior period; (ii) cumulative deviations to date from schedule of progress milestones as specified in the Agreed and Finalized Project Plan; (iii) corrective actions to be taken to return to planned schedule of progress; proposed revisions to planned schedule; (iv) other issues and outstanding problems; proposed actions to be taken; (v) resources that the Supplier expects to be provided by the Purchaser and/or actions to be taken by the Purchaser in the next reporting period; (vi) other issues or potential problems the Supplier

	foresees that could impact on project progress and/or effectiveness
--	---

20. Subcontracting (GCC Clause 20)

GCC 20	There are no Special Conditions of Contract applicable to GCC Clause 20
--------	---

21. Design and Engineering (GCC Clause 21)

GCC 21.2	The Contract shall be executed in accordance with the edition or the revised version of all referenced codes and standards current at the date as specified in the GCC
GCC 21.3.1	<p>The Supplier shall prepare and furnish to the Project Manager the following documents for which the Supplier must obtain the Project Manager's approval before proceeding with work on the System or any Subsystem covered by the documents. Not limited to the following:</p> <ol style="list-style-type: none"> 1. Software Requirement Specification. 2. Hardware implementation Plan 3. Test cases to be used in any kind of testing required as per this contract. 4. Training plan

22. Procurement, Delivery, and Transport (GCC Clause 22)

GCC 22.4.3	The Supplier shall be free to use transportation through carriers registered in any eligible country and shall obtain insurance from any eligible source country.
GCC 22.5	The Supplier shall provide the Purchaser with shipping and other documents as specified in the GCC

23. Product Upgrades (GCC Clause 23)

GCC 23.4	The Supplier shall provide the Purchaser: with all new versions, releases, and updates to all Standard Software during the Warranty Period, for free, as specified in the GCC
----------	---

24. Implementation, Installation, and Other Services (GCC Clause 24)

GCC 24	There are no Special Conditions of Contract applicable to GCC Clause 24.
--------	--

25. Inspections and Tests (GCC Clause 25)

GCC 25	There are no Special Conditions of Contract applicable to GCC Clause 25.
--------	--

26. Installation of the System (GCC Clause 26)

GCC 26	There are no Special Conditions of Contract applicable to GCC Clause 26
--------	---

27. Commissioning and Operational Acceptance (GCC Clause 27)

GCC 27.2.1	<p>Operational Acceptance Testing shall be conducted in accordance with the Test Plan (means a document drawn by the Supplier and approved by the Purchaser, which sets out testing criteria, test cases, data required for testing, and test procedures to be applied and expected results, in the conduct of acceptance tests) for the following Information Technologies:</p> <table border="1" data-bbox="532 919 1370 1369"> <thead> <tr> <th data-bbox="532 919 610 995">Sl. No</th> <th data-bbox="610 919 870 995">Information technologies</th> <th data-bbox="870 919 1370 995">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="532 995 610 1257">1</td> <td data-bbox="610 995 870 1257">Infrastructure Development</td> <td data-bbox="870 995 1370 1257">supply of equipment, design network solutions, install and configure network components including servers for database server, application server and web server</td> </tr> <tr> <td data-bbox="532 1257 610 1369">2</td> <td data-bbox="610 1257 870 1369">Development of Exchange System</td> <td data-bbox="870 1257 1370 1369">Study, analysis, design, develop, test and implement stock exchange system</td> </tr> </tbody> </table>	Sl. No	Information technologies	Description	1	Infrastructure Development	supply of equipment, design network solutions, install and configure network components including servers for database server, application server and web server	2	Development of Exchange System	Study, analysis, design, develop, test and implement stock exchange system
Sl. No	Information technologies	Description								
1	Infrastructure Development	supply of equipment, design network solutions, install and configure network components including servers for database server, application server and web server								
2	Development of Exchange System	Study, analysis, design, develop, test and implement stock exchange system								
GCC 27.2.2	If the Operational Acceptance Test of the System, or Subsystem(s), cannot be successfully completed within 60 days from the date of Installation or any other period agreed upon by the Purchaser and the Supplier, then GCC Clause 27.3.5 (a) or (b) shall apply, as the circumstances may dictate.									

F. GUARANTEES AND LIABILITIES

28. Operational Acceptance Time Guarantee (GCC Clause 28)

GCC 28.2	Liquidated damages shall be assessed at 0.5 percent per week. The maximum liquidated damages are 10 percent of the Contract Price, or relevant part of the Contract Price if the liquidated damages apply to a Subsystem.
GCC 28.3	Liquidated damages shall be assessed only with respect to failure of achieving Operational Acceptance of the complete System.

29. Defect Liability (GCC Clause 29)

GCC 29.1	For Software, exceptions or limitations to the Supplier's warranty obligations shall be as follows: None
GCC 29.3 (iii)	<p>The Supplier warrants that the following items have been released to the market for the following specific minimum time periods:</p> <ul style="list-style-type: none"> • Server Equipments • Network Equipments • Standard Software • UPS <p>All Standard Software and Hardware must have been commercially available in the market for at least three months.</p>
GCC 29.4	The Warranty Period for the Infrastructure Development (hardware and standard software) will be as per the OEM. The Warranty Period for the Exchange System will commence after the expiry of the Handholding period for 12 months.
GCC 29.10	During the Warranty Period, the Supplier must commence the work necessary to remedy defects or damage within 24 hours of notification.

30. Functional Guarantees (GCC Clause 30)

GCC 30	There are no Special Conditions of Contract applicable to GCC Clause 30
--------	---

31. Intellectual Property Rights Warranty (GCC Clause 31)

GCC 31	There are no Special Conditions of Contract applicable to GCC Clause 31
--------	---

32. Intellectual Property Rights Indemnity (GCC Clause 32)

GCC 32	There are no Special Conditions of Contract applicable to GCC Clause 32.
--------	--

33. Limitation of Liability (GCC Clause 33)

GCC 33	There are no Special Conditions of Contract applicable to GCC Clause 33
--------	---

G. RISK DISTRIBUTION

34. Transfer of Ownership (GCC Clause 34)

GCC 34	There are no Special Conditions of Contract applicable to GCC Clause 34.
--------	--

35. Care of the System (GCC Clause 35)

GCC 35	There are no Special Conditions of Contract applicable to GCC Clause 35
--------	---

36. Loss of or Damage to Property; Accident or Injury to Workers; Indemnification (GCC Clause 36)

GCC 36	There are no Special Conditions of Contract applicable to GCC Clause 36.
--------	--

37. Insurances (GCC Clause 37)

GCC 37.1 (c)	Not Applicable
GCC 37.1 (e)	There are no Special Conditions of Contract applicable to GCC Clause 37.1 (e).

38. Force Majeure (GCC Clause 38)

GCC 38	There are no Special Conditions of Contract applicable to GCC Clause 38.
--------	--

H. CHANGE IN CONTRACT ELEMENTS

39. Changes to the System (GCC Clause 39)

GCC 39	There are no Special Conditions of Contract applicable to GCC Clause 39.
--------	--

40. Extension of Time for Achieving Operational Acceptance (GCC Clause 40)

GCC 40	There are no Special Conditions of Contract applicable to GCC Clause 40
--------	---

41. Termination (GCC Clause 41)

GCC 41	There are no Special Conditions of Contract applicable to GCC Clause 41
--------	---

42. Assignment (GCC Clause 42)

GCC 42	There are no Special Conditions of Contract applicable to GCC Clause 42.
--------	--

SECTION VI. TECHNICAL REQUIREMENTS (INCLUDING IMPLEMENTATION SCHEDULE)

Table of Contents: Technical Requirements

A. Background.....	160
0.1 The Purchaser	160
0.2 Business Objectives of the Purchaser	160
0.3 Acronyms Used in These Technical Requirements.....	160
B. Business Function and Performance Requirements	161
1.1 Business Requirements to Be Met by the System	161
1.2 Functional Performance Requirements of the System.....	164
1.3 Related Information Technology Issues and Initiatives	173
C. Technical Specifications	173
2.0 General Technical Requirements.....	173
2.1 Computing Hardware Specifications	174
2.2 Network and Communications Specifications.....	174
2.3 Software Specifications	174
2.4 System Management, Administration, and Security Specifications.....	175
2.6 Documentation Requirements.....	176
D. Testing and Quality Assurance Requirements.....	177
3.1 Inspections	177
3.2 Pre-commissioning Tests	178
3.3 Operational Acceptance Tests	178
E. Implementation Schedule	179
Implementation Schedule Table	180
System Inventory Table (Supply and Installation Cost Items) 1	182
System Inventory Table (Recurrent Cost Items) 2	188
Site Table(s).....	189
Table of Holidays and Other Non-Working Days	190
F. Required Format of Technical Bids.....	191
5.1 Description of Information Technologies, Materials, Other Goods, and Services.....	191
5.2 Item-by-Item Commentary on the Technical Requirements	191
5.3 Preliminary Project Plan	192
5.4 Confirmation of Responsibility for Integration and Interoperability of Information Technologies	192
G. Technical Responsiveness Checklist	193
Technical Responsiveness Checklist	194
H. Attachments.....	196
Attachment 1. Existing Information Systems / Information Technologies	196
Attachment 2. Trading policy	196

Technical Requirements

A. BACKGROUND

0.1 The Purchaser

0.1.1 The Royal monetary Authority is the regulatory body of capital market in Bhutan. Along with its functions as central bank of Bhutan, RMA also functions in the capacity of Securities Exchange Commission in Bhutan. The RMA is the Implementing agency for this project and will be the authorized body to execute the project and implement the project for Royal Securities Exchange of Bhutan (RSEBL). RSEBL is incorporated under the companies Act of Bhutan and is regulated under Financial Institution Act and the Securities Exchange Regulation of Bhutan 1993.

0.2 Business Objectives of the Purchaser

0.2.1 Royal Securities Exchange of Bhutan Limited is the only stock exchange operating in Bhutan.

The types of securities that are traded include:

- Equity shares of Listed Companies
- RMA Discount Bills/ Treasury bills
- Government Bonds
- Corporate Bonds

Since its establishment, RSEBL has been using applications for electronic trading of securities. Initially fox pro based system was used and in 2000 the fox pro based system is replaced by visual fox pro system.

RSEBL also functions in the capacity of clearing and settlement house and central securities depository. The Depository functions are carried out in manual procedures. The new proposed system should integrate all important business models of the RSEBL such as trading, clearing, depository and broker accounting systems thereby providing a platform for online trading.

0.2.2 The objective of the Purchaser is to provide Royal Securities Exchange of Bhutan Limited with a fully developed and implemented end-to-end solution for stock exchange including infrastructure for hosting of envisaged system. The software system will consist of comprehensive Broker Accounting facilities, trading engine, clearing and settlement functions and central depository functions. All the functions in the system will be seamlessly connected to each other for information flow and automatic execution of logic wherever applicable. The proposed new system includes development of infrastructure as well as software application for RSEBL.

0.3 Acronyms Used in These Technical Requirements

AMC	Annual Maintenance Contract
CAL	Client Access License
CIF	Cost, Insurance and Freight
DOS	Disk Operating System
EMD	Earnest Money Deposit
FS	Functional Specifications
IPO	Initial Public Offering
LAN	Local Area Network
LCD	Liquid Crystal Display
MIS	Management Information System
MS	Microsoft
RMA	Royal Monetary Authority
RSEBL	Royal Securities Exchange of Bhutan Limited
RFP	Request for Proposal
SEC	Securities Exchange Commission
SQL	Structured Query Language
SRS	System Requirements Specification
SDLC	Software Development Life Cycle
SSRS	SQL Server Reporting Services
SSIS	SQL Server Integration Services
TWAN	Thimphu, Wide Area Network
UAT	User Acceptance Test

B. BUSINESS FUNCTION AND PERFORMANCE REQUIREMENTS

1.1 Business Requirements to Be Met by the System

1.1.1 The scope of this document covers study, analysis, design, development and implementation of end-to-end stock exchange system and development of required infrastructure for hosting the stock exchange system.

Sl. No	Information Technologies	Description
1	Infrastructure Development	supply of equipment, design network solutions, install and configure network components including servers for database server, application server and web server
2	Development of Exchange System	Study, analysis, design, develop, test and implement stock exchange system

The successful suppliers will be responsible for carrying out tasks listed in each service area according to the requirements and standards specified in this bidding document. Minor changes in the requirements may emerge during the project life cycle. **Successful supplier can provide any modifications on the infrastructure which will be reviewed by the Purchaser.**

The scope of work for application development at higher level includes:

- **System Study and Analysis**
The suppliers are however expected to carry out a detailed study of the existing system for thorough understanding of the system. They will have to interact with the users and carry out discussions accordingly
- **Preparation of FS or SRS**
After the system study, vendor will submit the software requirement specification (SRS) and client's technical team will verify the SRS for conformity with requirements. All business rules will be identified and incorporated in the SRS.
- **Design Application**
Based on the approved SRS, vendor will design proposed application. Application design will include design of data models, and class diagram. Determine all validation points.
- **Development / Coding**
Based on SRS and design, suppliers will develop the proposed application. Unit level testing and integration level testing will be conducted to verify the conformity to requirements.
- **Data Migration**
The vendor along with the implementation team will have to carry out a thorough study of the existing fox-pro system so as to clean, filter, and rectify the unorganized data contain therein the present system. Accordingly the fully rectified data has to be migrated from the existing FoxPro system for use in the new proposed system. The data cleaning will be done by RSEBL as per format and validation points agreed by the client and suppliers together.

- User Acceptance Testing (UAT)
The client and vendor shall conduct test to determine the functionalities of the solution as per the client's requirement as stated in this Bidding document. Vendor will prepare test cases for UAT which shall be approved by the client.
- Training
Vendor team will provide user training as well as system administration training. This training should cater, but not limited, to:
 - System installation
 - System operation
 - Trouble shooting
 - System administrator and security
 - Backup, and recovery procedure
 - Data import and export
- Implementation
During this phase, the vendor should implement the solution at RSEBL premise and end users from brokers' office would carry out the test in order to see capability of the solution in terms of connectivity, security, system response time, concurrent usage, stress, etc.
- Handholding, Warranty, AMC and Change Management
Handholding period is four months, 12 months of Warranty and AMC hence forth.
During these phases, changes may emerge.
The changes should be tackled by change management procedure. Change management Plan shall be finalized by client and vendor together.
Two types of changes will be considered:
 - Minor Changes -- Changes with minor impact in the system. Such changes will be executed without cost implication
 - Major Changes – Changes that have major impact in the system and requires re-engineering of the system. Such changes will have cost implications

A technical team from the client will assess the degree of changes along with vendor to categorize the changes.
- Provide timely assessment and recommendations on product and technologies used in stock exchanges
- Supply / development, installation and configuration of related products and services
- Test the products
- Provide Trainings
- Post Implementation Support and Change Management

Suppliers are advised to comply with the specifications and standards provided in this Bidding document. However, suppliers can also provide feedbacks on the specifications and standards to improvise the total design.

1.1.2 While conducting system requirements for proposed system and designing business rules following documents, but not limited to, are to be studied and consulted adequately:

- Financial Services Act of Bhutan
- Companies' Act of Bhutan, 2000
- Rules of the Exchange
- Securities Exchange Regulations, 1993
- Control of Brokers Regulations, 1993
- Rules of Clearing house
- Securities Depository Regulations
- Listing Rules

1.2 Functional Performance Requirements of the System

1.2.1 The proposed new system includes development of infrastructure as well as software application for RSEBL. This is divided into two service areas:

1.2.1.1 Infrastructure Development

- Setting up of Local Area Network at RSEBL premises to connect the users for accessing MIS reports by different level of decision makers
- The LAN should be connected to at least three servers; one application server, one database server and a backup server for application and database
- The local infrastructure needs to be connected by leased line facility of at least 256/ 512kbs line
- A display board connected to the trading application for displaying the securities information in real-time basis at the RSEBL premises
- A computer terminal for customers to look for market movement and other information
- The price can be displayed to general public via a LCD display. This needs cables and LCD display device to located outdoors

RSEBL has recently deployed LAN connecting existing workstations and server. It is required to assess the current LAN environment and provide services to upgrade and supply the listed equipments. The design of the hardware and network infrastructure is attached in annexure 1.

The task includes:

- Prepare upgraded network design documents including domain controller, Active Directory, web server, Application Server, and Database server
- Active connectivity with TWAN and Leased line connection
- Upgrade structured cabling
- Provide support for after deployment of network
- Supply equipment

1.2.1.2 Exchange System (Software Application)

RSEBL intends to have web based end-to-end stock exchange system. The software application should have user interfaces, application interfaces and processing for following major functionalities:

- Comprehensive broker accounting functions with order routing capabilities which is web-based whereby brokers can enter orders from remote location,
- An exchange trading engine which is accessible within the RSEBL LAN,
- Application interface and processing for clearing and settlement functions, and
- Central securities depository capabilities for securities dematerialization and other central securities depository related functions

Broker accounting interface, the clearing and settlement interface and central depository interface should have web based access with appropriate authorization and authentication. This web based application will provide accessibility to allow for separate central depository organization, clearing houses that may be located at different locations along with provisions for them to have branches with data storage at RSEBL premises.

All interfaces in the software application should be able to handle different types of securities like specified shares, non-specified shares; odd lots permitted by exchange and market driven, Debt securities, government securities, and list of companies which have failed to comply with the listing requirements and failed to resolve investor's complaints(over the counter).

The trading engine should have architecture that would enable brokers to integrate with their online e-brokerage applications.

The trading engine should have market surveillance functions incorporated which will be accessed within the RSEBL LAN.

The system would also have an IPO engine, where the Lead managers can register the applications for subscription before IPO. After IPO share allocation the system should be able to create client account information along with allocated shares in the central depository. This information should be accessible to the broker accounting functions, trading engine and central securities depository. Lead manager should be able to generate reports specifying the number of subscription, allotted and not-allotted. In Bhutan brokers are allowed to be the lead manager therefore whenever a broker is appointed as a lead manager. The system administrator should have the right to add the IPO role to the registered brokers. The system should have audit trails of access by the users.

Major functions of the system are as follows:

Broker Accounting

The Broker Accounting and Order Routing interface should be exposed to web environment, where by brokers can access the system using the user credentials provided by the exchange. The feature that is required in this component of the system includes, but not limited, to the following:

- Login as Brokers
- Client Accounts Management
 - Add Clients
 - Inactivate clients
 - Search Clients
 - Edit clients
- Securities Management
 - import securities from the exchange system (once new security codes are entered in the exchange system, Broker system should automatically import the codes)
- Maintain Book Entries
 - Securities Ledger
 - Journal Ledger
 - Trial Balance
 - Accounts Balance
 - Book keeping ledger
- Enter Transactions
 - Normal Entry
 - Journal Entry
- Order Management
 - Enter Orders (Buy / Sell)
 - Order Modification will happen and the orders are being routed to Trading engine
 - Order Cancellation can be done before being routed to Trading engine
 - Route Orders for Execution to Trading system – the routed orders will be accessible to the brokers when they login to the Trading System. The order routing facilities should take into account future possibilities of routing orders to other Stock Exchanges in the country, if any.
 - Activate / deactivate orders
- Price Listing
- View Net Position of the trading members – members can view only their net position
- Cumulative Net Position of the trading members – members can view only their cumulative net position
- Clearing statements
- Settlement process
- Commission calculations
- Print Trade confirmations

- Provide interface for clients to enter orders using credentials provided by broker. The entered orders will be visible to broker representative.
- Read standard mail content and insert payment information in the broker accounting for people using online payment system of Banks or pull information from database of online payment system.(Currently the commercial banks have online banking service that allows client to transfer cash to other accounts. To this end, the RSEBL is considering the feasibility to establish a connection with the online banking system primarily to confirm the deposit of cash in the brokers account by the brokers client and from the exchange clearing account. Vendors should present a proposition to assist on the best approach that should be adopted to achieve this goal)
- Broadcast market information from Broker Station to display boards in Brokers Offices

The broker accounting should function in integrated manner with the trading engine and central securities depository. The broker accounting interface should be able to list the securities and indices which will be received from the broadcast server in the Trading engine. The broker accounting processing should have capability to handle multiple broker branches. The broker interface should have charting facilities and analysis reports for reports generation.

Reports to be generated

The Broker accounting should provide the following types of reports to Brokers:

- Alerts and notifications
- View of Balances
- Market Values
- Portfolio Reports (for Brokers and Clients)
- Account Activity Statements
- Trade Confirmation Reports
- Order Entry Slips for the clients
- Settlements and Clearing Reports
- Daily Orders Reports with quoted Price
- Reports on matched and executed orders
- Market Movements reports from Trading system
- Time stamped trading tickets for clients
- Compliance reports from surveillance system for Authority(RMA)

Trading Engine

The trading engine will be web based where role based users are permitted to login and carry out the permitted tasks. The user groups in this module will include:

- System administrators – System administrators can do all maintenance tasks, data backup and system configuration jobs like adding users.

- Exchange Facilitators – this group of users will be able to do manual intervention for trading. They execute trades at particular time if the trading time is not specified for automatic order matching. However, the system should have the option for automatic trading execution on the specified time.
- Broker Representatives user group – Broker representatives users groups will login to the trading system to enter the orders

The trading engine is web based so that the brokers can sit in own offices and send the orders. Users will access the orders that are being entered from the broker accounting page and validate for trading.

The trading engine should consist of order entry interfaces and trading engine.

- The order entry interfaces and order entry slips should be accessible to the brokers to enter orders. Brokers should be able to send their quotes and orders to the trading engine through the web interface. However, only authorized orders will be queued for the trading purpose. The authorized orders are finalized orders. The order entry function should be able to pull orders from Broker Accounting interface, incase orders are entered from broker accounting interfaces for routing to trading engine.
- The trading engine handles the order matching of the orders based on the rule that orders that equal or exceed the opposite side (buy orders at price equal or higher than the prices of the existing sale orders, and sell orders at prices equal or lower than existing Buy Orders). Sell orders shall state minimum acceptable price and buy orders a maximum acceptable price. The trading policy is attached :
- The trading engine should support Single Price Auction, multiple single price auction, continuous trading or hybrid of multiple single price auction and continuous trading
- The interface and processing should allow to enter both client orders and non-client orders
- Suspension / postponement of securities by the exchange
- Suspension of clients
- Resume suspended securities and clients
- Clearing and settlement processing

After the matching and concluding the transactions, trade confirmations are available for the brokers for printing.

- Brokers can access the trade confirmations within their own web interface which they either download or print directly.

- The trading engine should allow setup various parameters, limits, rules and controls centrally. In case there are any violations of the set parameters, limits, rules and controls, the system should notify through the surveillance system.
- The trading engine should allow setting various alerts by the surveillance personnel to watch the market and the market player to see whether the rules and policies are being adhered to or not.

Provision to send trading details to clearing system.

The trading engine should be able to provide the current price and the BBO (Best Bid and Offer) to be published to RSEBL website and the to the LCD electronic display system through surveillance system. Price should be routed to the LCD display (if implemented) placed outdoors.

Reports to be Generated

- Today's Orders
- Market Indices
- Market Activities
- Pending orders
- Trading fees
- Compliance reports from surveillance system for Authority(RMA)
- Executed orders
- Settlements reports
- Price Movements
- Clearing sheets
- Securities Ratings based on the volume and spread of price
- Market capitalization of listed companies

Surveillance

A fully configurable rule-based interface that is integrated with trading engine and the Surveillance should be configured using business rules to enforce regulations of the market without programmer intervention for the following functions

- Compliance monitoring
- Reporting and charting
- Market Movement Analysis
- Alerts and Notifications generation

Central Depository

The depository should be able to handle dematerialization and re-materialization of securities, and monitor the status of these activities. The features should include management of corporate actions (both cash and non-cash benefits) and initial public offerings. It should offer on- and off- market settlements of trades and ensure delivery versus payment.

There should be provision to generate operational, statistical and statutory reports as per the requirements of the users and RSEBL management.

Features required for the Depository interfaces includes, but not limited to:

- Accounts Management

- Account Creating
- Account Closing
- Account editing
- Account Freezing and suspension
- Account De-freezing of securities, clients and participants
- Dematerialization of securities – should support full or partial dematerialization of holdings
- Re-materialization facilities
- Settlements – trades that are concluded at the stock exchanges should be directly sent to the depository for settlement. The security balance should be able to handle Regular, Segregated and Transfer securities adequately
- Pledging – The depository should allow pledging, hypothecation and collateralization of securities.
- Regularization of pledged and hypothecated shares
- Corporate Actions – Functions for processing of capital increases through rights issues (to the broker) or capital re-organization through splits, mergers, stock options, bonuses in the form of stock, etc.
- Transmission (Non-Commercial Transactions) – Legal and / or beneficial title of securities should be allowed to transfer in case of death or inheritance. The system should have provision to deal with such cases
- Billing for services provided by the depository to the members of the depository
- Enquiries and Reporting – Participants should be allowed to generate access, download and print reports based on the privileges provided to them. This feature will provide information on securities, participants, beneficial owners and corporate actions.

The depository interface will be web based whereby the participants can access the system through web. The users will be role based, so that users will be able to access the features that are assigned to them. The categories of users can be:

- Depository officials for updating the depository based on the rules and policies
- The listed company registrars for accessing the update list of shareholders and verification with the company register
- The Brokers
- The Custodians

Currently RSEBL functions in capacity of depository and in division of RSEBL located at RSEBL premises. However keeping in view Depository organization may move to different location, the depository interface should be configurable with other functions even if the depository is shifted to location other than RSEBL premises.

Information required for opening client account with the depository for Bhutanese Nationals is, but not limited to:

- a) name;
- b) CD Code(system generated code for the securities)

- c) permanent address and mailing address (if different);
- d) national identity card number;
- e) gender;
- f) beneficiary in the event of death (optional);
- g) depository participant, if any, associated with the account;
- h) other details as required from time to time

Information required for opening corporate account with the depository is:

- a) name;
- b) address of the registered office and mailing address (if different);
- c) company registration number;
- d) BIT/CIT
- e) contact person at the company and contact details;
- f) depository participant, if any, associated with the account;
- g) other details as required from time to time

Participant Information to be stored in the Depository

- Participant Id
- Participant Name
- Type of Participant
- Status of Participant
- Demographic Information
- Settling Bank and Account Details
- Beneficiaries Details

Reports to be generated

- Settlement of holdings
- Transaction statements
- Allotments details after IPOs
- Non-monetary benefits
- Transfers executed
- Transfer requests pending
- Confirmations on dematerialization / re-materializations requests
- Rejected remat/demat/transfer requests
- Suspension/freezing/de-freezing of Accounts
- Statements of account to participants
- Statements of accounts to direct account holders
- Ownership changes over time period
- The total value of trades settled over time period

Clearing and Settlements

Currently clearing and settlement at RSEBL is done by Brokers and RSEBL. The brokers are responsible for cash settlement and RSEBL is responsible for securities settlements.

The integrated application interface should have clearing and settlement procedures with the following features:

- Receive trade details from Trading System of the matched securities

- Send trade details to clearing members and clearing members should be able to confirm back
- Based on confirmation determine fund/security obligations
- Should support Netting and Gross settlement – both cash and securities. Gross securities settlements and net cash settlement
- Process for shortages in fund/securities held by the brokers.
- Generate Instructions (vouchers), which should be verified by the authorized official of the RSEBL. After the verification the instructions(vouchers) messages to be sent to clearing members and depository with options to print the instructions
- Store return Instructions for reference
- Receive pay-in advice and send and print instruction to clearing bank to arrange the funds within pay-in period
- Send instructions to depository to arrange securities within the pay-in time with option to print the instructions
- Send instructions for pay-in of securities to depository – Depository debits clearing member's account and credits clearing agencies account.
- Send Instructions for pay-in of funds to clearing members with option to print the instructions
- Send payout of securities instructions to depository
- Send payout of funds instructions to clearing members
- Collect and maintain margins
- The settlement cycle is T+3 working days
- Function to notify the clearing members/custodians and members / custodians should have provision to confirm
- The settlement should confirm Delivery vs Payment (DvP)
- Settlement tracking (reports)
- Fail Management (reports)

IPO Engine

User interface and application interface for handling the IPO should be included in the integrated system. This should be used to record the subscription for the new securities to be issued through the initial public offering. Subscription information will be stored and allotment of shares will be done by IPO interface and allotment information shall be transferred to the depository. Information from IPO engine should be transferred to other interfaces only after completion of allotment.

This application will segregate listed and non-listed shares. The listed shares should be transferred to trading system and the depository.

- Reservation
- Create client accounts
- Allotment Scenario Analysis
- Execute Allotment to customers
- Transfer allotment information to depository

Technology Platform

The end-to-end stock Exchange application for RSEBL is proposed to be developed in Microsoft .NET 2.0 platform using MS SQL Server 2005 Standard Edition as back end database. The application will be hosted in Windows 2008 Server Standard Edition.

Data Volume for Migration

Currently there is information of about 35,000 clients, 4 brokers and about 20,000 to 30,000 transactional records to be migrated. The information in Broker Accounting system and trading system is in Fox Pro database. Data in depository is in MS Excel.

1.3 Related Information Technology Issues and Initiatives

- 1.3.1 The Purchaser is looking into the feasibility of establishing a linkage between the broker accounting system and the online banking system of the financial institutions, primarily to implement online transaction by transferring funds to the broker account through the online banking system. Supplier should present a proposition and to assist on the best approach that should be adopted to achieve this goal and if applicable state the required hardware requirements.

C. TECHNICAL SPECIFICATIONS

2.0 General Technical Requirements

- 2.0.1 Language Support: All information technologies must provide support for the English language Specifically, all display technologies and software must support the ASCII character set and perform sorting according to appropriate standard method.
- 2.0.2 DATES: All information technologies MUST properly display, calculate, and transmit date data, including, but not restricted to 21st-Century date data.
- 2.0.3 Electrical Power: All active (powered) equipment must operate on voltage range 220v +/- 20v and frequency range 50Hz +/- 2Hz. All active equipment must include power plugs standard in Bhutan(M plug)
- 2.0.4 Environmental: Unless otherwise specified, all equipment must operate in environments of temperature 15-25 degrees centigrade, humidity 40-60 percent relative humidity, and dust conditions 0-40 grams per cubic meter of dust.
- 2.0.5 Safety:
- 2.0.5.1 Unless otherwise specified, all equipment must operate at noise levels no greater than 65 decibels.

2.0.5.2 All electronic equipment that emits electromagnetic energy must be certified as meeting *US FCC Class B* or equivalent emission standards.

2.1 Computing Hardware Specifications

2.1.1 Servers and PC:

2.1.1.1 Processing unit performance: As configured for the bid, the processing unit must, at a minimum,

(a) achieve at least the performance of Intel Quad-Core Xeon E5430/2.66 GHz

(b) provide input-output performance, as follows: NA

2.1.1.2 Processor expandability: NA

2.1.1.3 Processor memory and other storage: main memory; cache memory; Hard Disk, DVD ROM, etc

2.1.1.4 Processing unit fault tolerance: error checking; reporting, and management; redundant power supplies and other modules; “hot-swappable modules”; etc.

2.1.1.5 Processing unit management features: features and supported standards; local and remote management; etc.

2.1.1.6 Processing unit input and output devices: network interfaces and controllers; display; keyboard; mouse; audio and video interfaces, etc

2.1.1.7 Other processing unit features: NA

2.1.1.8 Other processing unit-related equipment and furnishings: UPS, environmental control equipment, etc.

2.2 Network and Communications Specifications

2.2.1 Local Area Network(S):

2.2.1.1 Equipment and software: Switch with throughput 72mbps, 24 10/100/1000 Ethernet port, etc

2.2.1.2 Cabling: CAT 6 UTP cable, Hybrids Network topologies, etc

2.2.2 Wide-Area Network:

2.2.2.1 Equipment and software: Router, Firewall with protection, switching, DMZ port, NAT support, VPN, PAT support DES, Triple DES, MD5, IKH, DH, SHA-1

2.2.2.2 Telecommunications Services: All the standard protocols

2.2.3 Other communications equipment: Lease Line Modem

2.3 Software Specifications

2.3.1 System Software and System-Management Utilities:

2.3.1.1 Third Party Software: Windows Server 2008 Standard Edition, McAfee Antivirus and Windows 7

2.3.2 Networking and Communications Software: Digital Certificate

2.3.3 General-Purpose Software: NA

2.3.4 Database Software and Development Tools: SQL server 2005 Enterprise Edition.

2.3.5 Business Application Software: NA

2.4 System Management, Administration, and Security Specifications

2.4.0 General Requirements: In addition to the management, administration, and security requirements specified in each sections covering the various hardware and software components of the System, the System must also provide for the following management, administration, and security features at the overall system level.

2.4.1 Technical management and troubleshooting:

2.4.2 User and usage administration:

2.4.3 Security:

2.5 Warranty Service: During the Warranty Term supplier shall provide purchaser, free of charge, support services to all the Information Technologies delivered by the supplier. The Warranty Term for the exchange system will be 12 months and subsequent warranty period for the Infrastructure Development as given by the OEM partners and should not be less than 24months from the Completion of the operational acceptance of the Infrastructure Development.

Supplier represents and warrants:

The Information Technologies will substantially conform to the Standards during the Warranty Term; and will repair the Information Technologies free of additional charge.

- Supplier is solely responsible for the accuracy and adequacy of the services and shall have obligation under this Agreement:
- to maintain or repair hardware or other equipment;
- to provide service for the standard Software ; to eliminate and clear any Bugs from the exchange system. For the purposes of this Contract, “Bug” means a Software malfunction caused by a defective portion of the Source Code, which malfunction is capable of remedy by rectifying the defective portion of the Source Code.

- to provide service required as a result of a malfunction of any product or goods or Information Technologies delivered by Supplier; The Supplier should strictly follow to not cause any delay for more than 24 hours.
 - 2.5.3.1 Technical Assistance: During the warranty term the supplier shall designate one developer onsite for fixing any bugs arising from the malfunction of Exchange System source code.
 - 2.5.3.4 Post-warranty maintenance services: The bidder shall provide on-site comprehensive Maintenance Support Services (AMC) for complete Development Infrastructure and Exchange System provided under this project including free replacement of defective parts for the Infrastructure development. The Bidder is required to provide financial details per annum basis for five years for the Exchange System and the Development Infrastructure.
 - 2.5.4 Data Conversion and Migration: Currently there are information of about 35, 000 clients, 4 brokers and about 20, 000 to 30, 000 transactional records to be migrated. The information in Broker Accounting system and trading system is in Fox Pro database. Data in depository is in MS Excel.

2.6 Documentation Requirements

The Supplier will provide documentation, which follows the ITIL (Information Technology Infrastructure Library) standards. This documentation should be submitted as the project undergoes various stages of implementation.

Indicative list of documents include:

- **Project Commencement:** Project Plan in MS Project giving out micro level activities with milestones & deadlines
- **Delivery of Material:** Original Manuals from OEMs.
- **Training:** Training Material will be provided which will include the presentations used for trainings and also the required relevant documents for the topics being covered.
- **Process documentation:** The supplier shall be responsible for preparing process documentation related to the operation and maintenance of each and every component of the Information Technologies. The prepared process document shall be formally signed off by Purchasers Project Manager before completion of final acceptance test.

The selected supplier shall document all the installation and Commissioning procedures and provide the same to the Purchasers within one week of the commissioning of RSEBL Information Technologies.

The Selected Supplier shall submit a complete set of Floor Layout Drawings, Single Line diagram, a complete cabling system layout (as installed), including cable routing, The layout shall detail locations of all components and indicate all wiring pathways.

Manuals for configuring of switches, routers, firewall etc shall be provided by the selected bidder.

- **Software Requirement Specification:** The supplier shall deliver the Software Requirement Specification of the exchange system which will be finalized by the Purchaser.

D. TESTING AND QUALITY ASSURANCE REQUIREMENTS

3.1 Inspections

3.1.1 Factory Inspections:

The Purchaser or its representative shall have the right to conduct pre-dispatch inspection of the Information Technologies for their conformity to the specifications. Where the Purchaser decides to conduct such tests on the premises of the Original Equipment Manufacturer (OEM) or Supplier of the OEM or its subcontractor(s), all reasonable facilities and assistance like Testing Instruments and other test gadgets including access to drawings and production data shall be furnished to the inspectors at no charge to the Purchaser. The schedule & procedure of testing shall be intimated to the bidder after the placement of the Work order / purchase order. The successfully inspected / accepted items shall be sealed in the presence of the Inspectors and signed by the inspectors accordingly.

- b) Should any inspected or tested Items fail to conform to the Specifications the Purchaser may reject them and the Supplier shall either replace the rejected Items or make all alterations necessary to meet Specification requirements free of cost to the Purchaser.
- c) Notwithstanding the pre-supply tests and inspections prescribed in clause a & b above, the Items/equipment on delivery in the purchaser's premises will also be tested after delivery and if found defective, or the seal found to be tampered these items shall be replaced free of cost to the purchaser as laid down in below.
- d) In case Purchaser does not depute the officer(s) for factory inspections, the inspection certificate, issued by Quality Control Department of the manufacturer will be acceptable by Purchaser.

3.1.2 Inspections following delivery:

This testing / inspection shall be performed at the Purchaser's site at the time of delivery of the equipment and the inspector shall inspect the goods against any physical damage on delivery. The inspector shall also check the goods delivered against the models ordered. The inspector shall reject the items, which are not delivered as per the contract or any subsequent modifications to

the contract, in terms of make & model. The inspector shall also receive the goods after inspection.

3.2 Pre-commissioning Tests

- 3.2.0 In addition to the Supplier's standard check-out and set-up tests, the Supplier (with the assistance of the Purchaser) must perform the following tests on the System and its Subsystems before Installation will be deemed to have occurred and the Purchaser will issue the Installation Certificate(s) (pursuant to GCC Clause 26 and related SCC clauses).
- 3.2.1 This testing / inspection shall be performed after the completion of installation. The inspectors shall verify the component level details during this testing and shall sign the installation report after successful completion of the post installation testing. Defects / shortcomings brought out in this testing shall have to be attended as per the contract within the permitted time schedule.
- 3.2.2 The testing & inspection as per clause 3.2.1 of above in any way not relieve the Bidder from any Warranty or other obligations under this contract.

3.3 Operational Acceptance Tests

- 3.3.0 Pursuant to GCC Clause 27 and related SCC clauses, the Purchaser (with the assistance of the Supplier) will perform the following tests on the System and its Subsystems following Installation to determine whether the System and the Subsystems meet all the requirements mandated for Operational Acceptance.
- 3.3.1 The final acceptance shall cover 100% of the Purchaser's Information Technologies, after successful testing by Purchaser or its designated representatives; a Final Acceptance Test Certificate (FAT) shall be issued Purchaser to the Supplier. The date on which Final FAT certificate is issued shall be deemed to be the date of successful commissioning of the Purchaser Information Technologies.

Prerequisite for Carrying out FAT activity: Detailed test plan shall be defined by the Supplier. This shall be submitted by Supplier before FAT activity to be carried out. All documentation related to Information Technologies and relevant acceptance test document should be completed & submitted before the final acceptance test to Purchaser. The training requirements as mentioned should be completed before the final acceptance test. Successful hosting of all application/services being provided as a part of the project such as all modules of exchange system www, DNS, Anti-Virus, etc.

The FAT shall include the following:

All Information Technologies items must be installed and tested functionally at Purchase site as per the specification. The testing would include but not limited to following parameters:

- Testing of all modules and interfaces of the Exchange System.
- LAN
- Hardware and Standard Software.
- Successful hosting/collocation of applications/services as WWW, DNS, Anti-Virus, etc. and make them accessible by the Purchaser, Brokers and Customers

Availability of all the defined services shall be verified. The Supplier shall be required to demonstrate all the features / facilities / functionalities as mentioned in the Bid Document. The Supplier will arrange all the test equipment required for performance verification. Successful Supplier will also provide documented test results.

E. IMPLEMENTATION SCHEDULE

Implementation Schedule Table

Entire System procurement

Line Item No.	Subsystem / Item	Configuration Table No.	Site / Site Code	Delivery (Bidder to specify in the Preliminary Project Plan)	Installation & operational Acceptance (weeks from Effective Date)	Liquidated Damages Milestone
	Information Technologies					
1	Exchange System	--	RSEBL	32 weeks from the date of SRS sign off	8 weeks from the delivery	yes
2	Servers	1	“	12 weeks from the date of contract sign off	8 weeks from the delivery	“
3	Networking Components	“	“	“	“	“
4	Operating Software's (Platform Software's.)	“	“	“	“	“
5	Rack and Accessories	“	“	“	“	“
6	Database Server	“	“	“	“	“

Line Item No.	Subsystem / Item	Configuration Table No.	Site / Site Code	Delivery (Bidder to specify in the Preliminary Project Plan)	Installation & operational Acceptance (weeks from Effective Date)	Liquidated Damages Milestone
	Information Technologies					
7	Air Condition	“	“	“	“	“
8	Desktop Computers	“	“	“	“	“
9	Antivirus	“	“	“	“	“
10	Digital Certificate	“	“	“	“	“
11	UPS	“	“	“	“	“
12	LCD Display Board	“	“	“	“	“

Note: Refer to the System Inventory Table(s) below for the specific items and components that constitute the Subsystems or item. Refer to the Site Table(s) below for details regarding the site and the site code.

- - indicates not applicable. “ indicates repetition of table entry above.

System Inventory Table (Supply and Installation Cost Items) 1

entire System procurement

For all line item number from the Implementation Schedule

Component No.	Component	Relevant Technical Specifications No.	Additional Site Information (e.g., building, floor, department, etc.)	Quantity
1	Exchange System	Business requirement 1.2.1.2	RSEBL	1
1.1	Broker Accounting System	“	“	1
1.2	Trading Engine	“	“	1
1.3	Surveillance system	“	“	1
1.4	Central Depository	“	“	1
1.5	Clearing and settlements system	“	“	1
1.6	IPO Engine	“	“	1

Component No.	Component	Relevant Technical Specifications No.	Additional Site Information (e.g., building, floor, department, etc.)	Quantity
1.	<p>Rack Optimized Servers</p> <ul style="list-style-type: none"> - Intel Quad-Core Xeon E5430 / 2.66 GHz (Quad-Core) 12 MB L2 cache -8GB DDR3 RAM -RERC 6/i RAID levels 0,1 and 5 -2x73GB HDD hotplug -4x146GB HDD hotplug -Dual 10/100/1000 Ethernet adapters. 	<p>Technical Specifications No: 2.1</p>	<p>RSEBL Office</p>	<p>3</p>
2.	<p>Desktop Computer</p> <ul style="list-style-type: none"> -Processor: Intel Core 2 Quad Core (3.0 GHz) -Memory : 4 GB DDR2 -800 MHz -Hard Drive: 250 GB 7200 RPM SATA -Removable Media: DL DVD Writer SATA -Memory Slots : 2 -Network Interface: 2 Gigabit Ethernet NIC -pre install OS 	<p>Technical Specifications No: 2.1</p>	<p>RSEBL Office</p>	<p>2</p>

Component No.	Component	Relevant Technical Specifications No.	Additional Site Information (e.g., building, floor, department, etc.)	Quantity
3.	<p>Router</p> <ul style="list-style-type: none"> -Data, audio and video integration -High density LAN and WAN interfaces (4 each) -Up to 1 Mbps processing capacity -NAT Features -Access Control List -Modular Architecture -VPN Support 10/100/1000 BASE – T and Gigabit Ethernet ports -IP base VLAN routing capability -Routing Performance = over 100 kilo packets per second -Enterprise Wide Area Networks, ISDN, etc -Rack Mountable 	Technical Specifications No: 2.2	RSEBL Office	1
4.	<p>Firewall</p> <ul style="list-style-type: none"> -1 x network host - Ethernet 10Base-T/100Base-TX -RJ-45 4 x network node - Ethernet 10Base-T/100Base-TX -RJ-45 1xnetwork- Ethernet 10Base-T/100Base-TX - RJ-45 - Firewall protection, switching, DMZ port, NAT support, VPN, PAT support DES, Triple DES, MD5, IKE, DH, SHA-1 	Technical Specifications No: 2.2	RSEBL Office	1

Component No.	Component	Relevant Technical Specifications No.	Additional Site Information (e.g., building, floor, department, etc.)	Quantity
5.	<p>Switch</p> <ul style="list-style-type: none"> -Switching capacity: more than 96 Gbps -Throughput: 72 mbps 24 10/100/1000 Ethernet Ports -Minimum 2 Gigabit Ethernet (fibre) ports -Minimum 2 Gigabit Ethernet (RJ-45) ports -Multilayer Switching : IP Base and Enterprise Service Options -LAN and IPB Image, Rack mountable 	Technical Specification No:2.2	RSEBL Office	1
6.	<p>Lease Line Modem</p> <p>RAD Modem ASMi52A/4W/V35/ETH/MRO RAD with Power supply</p>	Technical Specifications No: 2.2	RSEBL Office	1
7.	<p>LCD Display Board</p> <ul style="list-style-type: none"> -LCD Display Board with integration Kits -Alphanumeric character Display -Graphic Display -Size: 84mm X 44mm or more 		RSEBL Office	2

Component No.	Component	Relevant Technical Specifications No.	Additional Site Information (e.g., building, floor, department, etc.)	Quantity
8	UPS SMART UPS with 6 battery modules Automatic Voltage regulations Network Power Management Interface cables Automatic restart of loads after UPS shutdown Backup time : 2 hours		RSEBL Office	1
9.	Rack 42U rack External Shock Pallet Stabilizer kits Side panel kits Rack Grounding kits NW Cable management kit		RSEBL Office	1
10.	KVM Switch and other Accessories KVM Server console switch Monitor (17' TFT), Mouse, Keyboard		RSEBL Office	1
11.	Air Conditioner (AC) Operating voltage and frequency as per electricity available in Bhutan Single Phase Wall mount For Computer / Network Room		RSEBL Office	1

Component No.	Component	Relevant Technical Specifications No.	Additional Site Information (e.g., building, floor, department, etc.)	Quantity
12.	Platform Software Windows Server 2008 Standard Edition	Technical Specifications No: 2.3	RSEBL Office	3
13.	Database server MS SQL Server 2005 Enterprise Edition with SSRS, SSIS and Mirror Clustering – bundled 25 cal licenses	Technical Specifications No: 2.3	RSEBL Office	1
14.	Digital Certificate SSLCertificate	Technical Specifications No: 2.3	RSEBL Office	1
15.	Antivirus McAfee Antivirus Endpoint Advanced with 20 licenses	Technical Specifications No: 2.3	RSEBL Office	1

Note: - - indicates not applicable. “ indicates repetition of table entry above.

System Inventory Table (Recurrent Cost Items) 2

Entire System procurement

For all line item number from implementation schedule

Component No.	Component	Relevant Technical Specifications No.	Y1	Y2	Y3	Y4	...	Y6
1.	Annual Maintenance for Exchange System (for 2nd, 3rd, 4th, 5th and 6 th year)(On site manpower resources as per requirement and online support).	2.5 of Technical Specification	Incl. in Warranty	For entire exchange system provided under this project	For entire exchange system provided under this project	For entire exchange system provided under this project		For entire exchange system provided under this project
2	Annual Maintenance Services for Infrastructure Development for 5 years after the expiry of warranty period (Online support, spare parts and down time of 24 hours)	2.5 of Technical Specification	Incl. in Warranty	Incl. in Warranty	Incl. in Warranty	All items		All items

Site Table(s)***Entire System procurement******The detailed information regarding the site(s) at which the System is to be operated***

Site Code	Site	City / Town / Region	Primary Street Address	Drawing Reference No. (if any)
PS	Project Site for Information Technologies (Exchange System and Infrastructure Development)	Thimphu	Trading room Royal Securities Exchange of Bhutan, RICBL Building Norzin Lam	

F. REQUIRED FORMAT OF TECHNICAL BIDS

5.1 Description of Information Technologies, Materials, Other Goods, and Services

- 5.1.0 The Bidder must provide detailed descriptions of the essential technical, performance, or other relevant characteristics of all key Information Technologies, Materials, other Goods, and Services offered in the bid (e.g., version, release, and model numbers). Without providing sufficient clear detail, Bidders run the risk of their bids being declared non-responsive.
- 5.1.1 To assist in the bid evaluation, the detailed descriptions should be organized and cross referenced in the same manner as the Bidder's item-by-item commentary on the Technical Requirements described in Section 5.2 below. All information provided by cross reference must, at a minimum, include clear titles and page numbers.
- 5.1.2 The Bidder is required to describe the proposed Technical Solution in detail and clearly. Following should be captured in the explanation:
 - a) Approach & Methodology for SRS design, coding, testing, implementation, hosting and deployment of the exchange system.
 - b) Detail methodology plan to connect the customer interface to online banking.
 - c) Training Plan
 - d) SLA implementation and management plan
 - e) The Bidder should provide a detailed resource deployment plan to ensure that technically qualified staff is available to deliver the project. The Bidder would require qualified Project Manager, Business analysts, developers etc The Bidder should provide the summary table of details of the manpower that will be deployed on this project for **implementation** along with detailed CVs.
 - f) Bidder shall provide a detailed project plan with timelines, resource allocation, milestones etc. in for supply, installation and commissioning of the information technologies, the Exchange System and Infrastructure development.

5.2 Item-by-Item Commentary on the Technical Requirements

- 5.2.0 The Bidder must provide an item-by-item commentary on the Purchaser's Technical Requirements, demonstrating the substantial responsiveness of the overall design of the System and the individual Information Technologies, Goods, and Services offered to those Requirements, see ITB Clause 16.2 (b).
- 5.2.1 In demonstrating the responsiveness of its bid, the Bidder is strongly urged to use the Technical Responsiveness Checklist provided in Section G of the Technical Requirements. Failure to do so, increases significantly the risk that the Bidder's Technical Bid will be declared technically non-responsive. Among other things, the checklist should contain explicit cross references to the relevant pages in the Bidder's Technical Bid.

5.3 Preliminary Project Plan

- 5.3.0 The Bidder must prepare a Preliminary Project Plan describing, among other things, the methods and human and material resources that the Bidder proposes to employ in the design, management, coordination, and execution of all its responsibilities, if awarded the Contract, as well as the estimated duration and completion date for each major activity. The Preliminary Project Plan must also address the topics and points of emphasis specified in *“SCC Clause 19”* including any additional items stated in the Bid Data Sheet for ITB Clause 16.2 (c). The Preliminary Project Plan should also state the Bidder’s assessment of the major responsibilities of the Purchaser and any other involved third parties in System supply and installation, as well as the Bidder’s proposed means for coordinating activities by each of the involved parties to avoid delays or interference.
- 5.3.1 In addition to the topics and points of emphasis, the Preliminary Project Plan MUST address reporting procedures and proper completion of the project.
- 5.3.2 Must it be submitted in a specific word processing format, in addition to hard copy, etc..

5.4 Confirmation of Responsibility for Integration and Interoperability of Information Technologies

- 5.4.0 The Bidder must submit a written confirmation that, if awarded the Contract, it shall accept responsibility for successful integration and interoperability of all the proposed Information Technologies included in the System, as further specified in the Bidding Document.

G. TECHNICAL RESPONSIVENESS CHECKLIST

Technical Responsiveness Checklist

Note to Bidders: The following Checklist is provided to help the Bidder organize and consistently present its Technical Bid. For each of the following Technical Requirements, the Bidder must describe how its Technical Bid responds to each Requirement. In addition, the Bidder must provide cross references to the relevant supporting information, if any, included in the bid. The cross reference should identify the relevant document(s), page number(s), and paragraph(s). The Technical Responsiveness Checklist does not supersede the rest of the Technical Requirements (or any other part of the Bidding Documents). If a requirement is not mentioned in the Checklist, that does not relieve the Bidder from the responsibility of including supporting evidence of compliance with that other requirement in its Technical Bid. One- or two-word responses (e.g. "Yes," "No," "Will comply," etc.) are normally not sufficient to confirm technical responsiveness with Technical Requirements.

Tech. Require. No. 1	Technical Requirement: As in point B. Business Function and Performance Requirements of Section VI. Technical Requirements	<i>Mandatory</i>
Bidder's technical reasons supporting compliance:		
Bidder's cross references to supporting information in Technical Bid:		

Tech. Require. No. 2	Technical Requirement: As in point C. Technical Specifications Requirements of Section VI. Technical Requirements. As in point D. Testing and Quality Assurance Requirements of Section VI. Technical Requirements As in point E. Implementation Schedule including all inventory and other tables Requirements of Section VI. Technical Requirements	<i>Mandatory</i>
Bidder's technical reasons supporting compliance:		
Bidder's cross references to supporting information in Technical Bid:		

Section VI. Technical Requirements

Tech. Require. No. 3	<i>Qualifying Requirements:</i> As at ITB 6.1 (a) of BDS and other parts of the document specified	<i>Mandatory</i>
Bidder's technical reasons supporting compliance:		
Bidder's cross references to supporting information in Technical Bid:		

H. ATTACHMENTS

Attachment 1. Existing Information Systems / Information Technologies

Attachment 2. Trading policy

Attachment 1. Existing Information Systems / Information Technologies

Royal Securities Exchange of Bhutan Limited was established to facilitate the functions of capital market in Bhutan. Incorporated under the Companies Act of Royal Government of Bhutan and is regulated under the Financial Institution Act and the Securities Exchange Regulation of Bhutan 1993.

Since its establishment, RSEBL has transformed and has adopted electronic trading system.

The Securities Exchange Regulation requires that, the shares must be traded through Brokerage firms which are approved as members of the Exchange. Currently four brokerage firms are registered with RSEBL. These four brokerage firms are:

1. BOB Securities Limited
2. BNB Securities Limited
3. RICB Securities Limited, and
4. Drook Securities Limited

These brokerage firms carry out trading at the trading hall at RSEBL premises on behalf of their clients.

The trading method practiced by RSEBL is based on agency basis. The trading is “**order driven**”. Any investor can represent his order through his broker in the market and establish the best bid offer. Orders are entered into the trading systems of the various participants and automatically routed to a central order book at the Exchange System. Execution of the orders takes place in keeping with the principle of price-time priority.

There are about 21 equity scrips being traded in RSEBL besides debt securities like RMA Bills, Government Bonds and Corporate Bonds.

RSEBL has kept options open of introduction of other financial derivatives to be traded in Bhutanese capital market.

There are about 35,000 shareholders with several securities portfolio. However, recent developments have encouraged larger number people to participate in capital market process.

Trading happens twice a week. Trade volume is about 1000 transaction per trading day.

However, the new system should be able to handle daily trading and huge volume of trades (about 100, 000 + trades per day)

4.2 Current System

Though RSEBL has been using electronic trading and electronic record keeping, but it has lagged behind in adopting technology to cope up with advancement in trading technology.

4.2.1 Trading Application

RSEBL adopted electronic trading, in 1990s. Initially DOS version developed in Foxpro was used to facilitate Broker Accounting, exchange trading and depository system for the securities which are publicly traded. With increasing suspicion of Y2K bug, later screen based system was developed in 1999. The system is developed in visual Foxpro.

The visual foxpro system consists of broker accounting system and exchange trading system. The broker accounting system is provided to the brokers with user credentials whereby each brokers can access their own data in the system. Using the Broker/Custodian Accounting system, broker representative can carry out the following function:

The visual foxpro system consists of broker accounting system and exchange trading system. The broker accounting system is provided to the brokers with user credentials whereby each brokers can access their own data in the system. Using the Broker/Custodian Accounting system, broker representative can carry out the following function:

- Create client accounts in the broker system and enter the required data received from the clients
- Change client Accounts
- Remove client Accounts
- Enter transactions – Normal and Journal Entries
- Update / Cancel Entries
- Maintain book records – Security Ledgers, Journal Ledger, Trail Balance, etc
- Post orders for clearing and settlements
- Calculate commission and post total (clearing and commission
- Import of trade files from trading system
- Import /Export Client information from/to trading system
- Import Securities codes (currently this feature is not working)
- Print trade confirmations

The exchange system can be used to do the following tasks either by the brokers or the exchange personnel:

- Input/change/delete/view orders – done by the brokers' representatives
- Order Matching – done by the exchange representative
- Trade execution – done by the exchange representative
- Clearing of accounts
- Settlements
- Reporting
- Export of trade files to broker system and settlement files
- Addition new securities
- Addition of new brokers
- Export / Import Depository files (not used currently)

Currently there is no depository module in the application. Instead the depository records are maintained manually in MS Excel. There information that is to be entered in the depository is received in printed format as trade confirmation from the exchange system and clearing and settlement confirmation from the brokers. The depository is updated within T+3 working days (excluding Saturdays, Sundays, Government Holidays, and Bank Holidays).

4.2.2 Infrastructure

Currently, the infrastructure at RSEBL infrastructure consists of server loaded with Windows NT version connected to client computers with a simple LAN connectivity. The

Section VI. Technical Requirements

brokers are provided with the PC each at Trading Hall at the RSEBL premises. The brokers need to come with all documents to the trading hall to places orders.

Furthermore, the client computers used by the Brokers are of Pentium III architecture loaded with Windows 98 SE. The LAN connectivity is disrupted at times. The brokers at times use the broker/exchange application hosted in local PC

Attachment 2: trading policy**THE TRADING SYSTEM OF RSEBL**

The following is a basic trading system definition :

A. THE OPENING PRICE WILL BE DETERMINED :

1. At the price where the greatest amount of shares will match / trade and ;
2. The amount of shares that will trade is determined by the smaller of the accumulated buy orders (demand) and the accumulated sell orders (supply) at each price;
3. Where all orders at better prices than the opening price (higher priced buys and lower priced sales) are filled completely at the opening price ;
4. Where the same amount will trade at more than one price, filling better priced orders completely, the price will be determined by the last sale price:
 - a. If the last sale price is at or above the highest potential opening price the highest opening price is the opening price,
 - b. If the last sale price is at or below the lowest potential opening price the lowest opening price becomes the opening price.
 - c. If the last sale price is in between the highest and lowest potential opening price, the last sale price becomes the opening price.
5. Where none of the orders at the opening price on the larger side of supply and demand, are allocated any shares, the price is adjusted by one trading tick, up in the case where the larger side is the buy side and down where the larger side is the sale side, as long as the new price

does not violate any of the above rules, if it does maintain the original price ;

6. The orders at the opening price on the smaller side of supply and demand, as well as the orders on the larger side of supply and demand at better price than the opening price will be filled completely at the opening price.
7. The orders at the opening price on the larger side of supply and demand will be filled based on an average amount per order.
8. **THE AVERAGE AMOUNT IS DETERMINED BY :**
 - a. Subtracting the amount of all better priced orders on the larger side of supply and demand from the amount of shares available to trade.
 - b. Then dividing into the results of this subtraction the number of orders at the opening price to create an average available to each.
 - c. Where orders equal or are for lower than the average, these orders will be filled completely and a new averages calculated for the remaining orders.
 - d. The same process will be repeated until there are no orders equal or less than the calculated average. Where the average results in a fraction of a share the fraction must be rounded up for some orders and rounded down for the remainder of the orders so no fractions are allocated. The earliest orders will receive the rounded up amounts. The total of the rounded up and rounded down amounts must equal the amount available.
 - e. Once the fills are allocated to the orders at the opening price on the larger side of supply and demand, the system will check to see if a broker had orders for non-clients filled at the opening price. If so, the system will check if any client orders for the same broker at the opening price were only filled partially or not at all. If so, the system will re-allocate the shares given to the non-clients orders at the opening price to the client orders, based on an average per order as described above. If all the

shares initially allocated to the non-client orders are not needed to completely fill the client orders of the same broker, they will be re-allocated back to the non-client orders based on an average per order as described above.

9. Any orders left unfilled at the opening price will form the opening bid or offer depending whether the supply (sell orders) or the demand (buy orders) was larger and therefore not completely filled.

B. After the opening :

1. New orders that do not equal or exceed the opposite side will be booked in time and price sequence.
2. Orders that do not equal or exceed the opposite side will be matched (filled) against offsetting orders on the opposite side, at the price of the existing orders on the opposite side.
3. If the existing offsetting orders do not completely fill the new order, the remaining portion of the new order will be booked at its limit price establishing a new best bid or offer depending on whether it is a buy or sell.

PROGRAMMING GUIDE

The following is a summary of the steps that the computer program would need to take. A more elaborate set of commands will need to be designed by the programmer, as this summary is intended for guidance only.

1. The file of orders for a stock must be arranged in price sequence (highest price on top), with the buy orders on the left side and the sell orders on the right side.
2. At each price where there is an order an accumulated amount must be calculated.

- A. On the buy side, adding the amount of shares for the orders from the highest price to the amount of shares for the orders at the next highest price and creating a sub total at each successively lower price until the lowest price is reached where a total would be created. Where the highest price is a sale, the accumulated number on the buy side would be zero. At prices where there are no buy order, the accumulative amount from the previous higher price would be repeated, thus providing an accumulative amount for the buys at each price.
 - B. On the sale side, adding the amount of shares for the orders from the lowest price to the amount of shares for the orders at the next lowest price and creating a sub total at each successively higher price, until the highest price is reached where a total would be created. Where the lowest price is a buy order, the accumulative number on the sale side would be zero. At prices where there are no sell orders, the accumulative amount from the previous lower sell price would be repeated, thus providing an accumulative amount for the sells at each price.
3. From the details calculated in step 2, a list would be made of all the potential prices, with the smallest amount of supply and demand shown at each price.
 4. From list created above in step 3, the price or prices with the highest amounts would be selected as potential opening prices.
 5. Each price selected an step 4 above, would be checked to ensure that all orders at better prices would be filled completely using the following procedure :
 - a. The amount of share available to trade is compared to the amount of shares at better prices on the larger side of supply and demand to ensure that the amount of shares of better priced orders are not larger than the amount of shares available ;
 - b. If the larger side of supply and demand is the buy side or the demand side, then the better priced orders are those at higher prices than the opening price ;
 - c. If the larger side of supply and demand is the sell side or supply side, then the better priced orders are those at lower prices than opening price ;

-
- d. If the better priced orders are larger, this priced cannot be considered as an opening price ;
 - e. If the better priced orders are equal or smaller that the shares available, then this price is acceptable and is saved for the next step ;
 - f. All potential prices are checked in the above manner and all acceptable prices are used for the next step.
6. If the above steps have not determined more than one potential opening price, use the one price as the potential opening price and go to step 7, otherwise the above steps have determined more than one potential opening price and the last sale price must be considered to determine what the potential opening price should be as follows :
- a. If the last sale price is equal or higher than the highest potential opening price, then the highest potential opening price is chosen, if not go to step 6 (b) ;
 - b. If the last sale price is equal or lower the lowest potential opening price, then the lowest opening price is chosen, if not go to step 6© ;
 - c. Use the last sale price which is in between the highest and the lowest potential price, as the potential opening price.
7. If some of the orders at the potential opening price on the larger side of supply and demand can be given some shares, use this price as the opening price and go to step 10, if not go to step 8 ;

TRADING TICK

8. Since none of the orders at the potential opening price on the larger side of supply and demand can be given any shares as a result of the better priced orders equalling the amount of shares available,
 - a. Then the price, one trading tick higher, in the case where the larger side is the demand side, or one trading tick lower, in the case where the larger side is the supply side, should be used as the opening price, if all better priced orders on the larger side of supply and demand can be filled completely as described in step 5 above.
9. One trading tick is .05 at price 10.00 and lower, .10 at prices above 10.00 to 100.00, .50 at prices above 100.00 to 200.00 and .1.00 at prices above 200.00.
10. Extract from the order file all the orders at the opening price and better on the smaller side of supply and demand, and put them into a trade file with an execution price of the opening price as determined above.
11. Extract from the order file all the orders on the larger side of supply and demand at prices better than the opening price, and put them into a trade file with an execution price of the opening price as determined above.
12. Subtract from the amount of shares available as determined by the accumulated amount of shares on the smaller side of supply and demand, the amount of shares on the larger side of supply and demand at prices better than the price to determine the amount of shares available for the orders at the opening price on the larger side of supply and demand.
13. Divide into the amount of shares available to the orders at the opening price on the larger side of supply and demand as determined in step 12, the number of orders at the opening price on the larger side of supply and demand to determine the amount of shares available to each.
14. If the amount of shares in any order is smaller than the amount calculated in step 13 above, subtract the amount of these lesser orders from the amount available as determined in step 13 and repeat steps 13 and 14 changing the reference to steps 13 to be the next logical step (13 a, 13 b, 13 c, etc.).
15. Extract the lesser orders as determined in step 14, 14 a, 14 b, etc. From the order file and hold them in a temporary file for potential adjustment for the non-client routine in step 17 before putting them into a trade file with an execution price of the opening price as determined above.

-
16. If there are no orders with amounts less than the average calculated in step 13, 13 a, 13 b, etc above, reduce each order by the amount of the average, rounded up for the earliest order or orders and rounded down for the subsequent orders so no fraction of a share is allocated, leaving the reduced order in the order file and create a trade in the amount that the order was reduced in the temporary file for potential adjustment for the non-client routine in step 17 before putting them into the trade file with an execution price of the opening price as determined above

17. The orders at the opening price on the larger side of supply and demand that were filled partially or in total in steps 15 & 16 are checked to determine if there is a non-client order and a client order for the same brokerage firm where the client order or orders were not completely filled.

- a) If not all the trades are moved from the temporary file to the trade file.
- b) If so, all the non-client orders for the brokerage firm are accumulated to determine if the accumulated amount is equal or less than the needed to completely fill the client orders for the same brokerage firm.
- c) If so, the orders for the non-clients are re-instated and the amount of the fills allocated to them are reallocated to that brokerage firm's partially filled client orders, using the same formula as above in step 13 & 14.
- d) If not, the amount that is needed to completely fill the client orders is taken away from the non-client orders, using the same formula as in steps 13 & 14 above, and the client orders are filled completely.

18. The trades from steps 15 & 16 that were not adjusted in step 17 and those that were adjusted are put into the trade file with an opening price as determined above.

19. The orders that were re-instated and adjusted in step 17 are put back into the order file with their new remaining balance.

SECTION VII. SAMPLE FORMS

Notes to Bidders on working with the Sample Forms

The Purchaser has prepared the forms in this section of the Bidding Documents to suit the specific requirements of the System being procured. They are derived from the forms contained in the World Bank's Standard Bidding Documents for the Supply and Installation of Information Systems. In its bid, the Bidder must use these forms (or forms that present in the same sequence substantially the same information). Bidders should not introduce changes without the Purchaser's prior written consent (which may also require the clearance of the World Bank). If the Bidder has a question regarding the meaning or appropriateness of the contents or format of the forms and/or the instructions contained in them, these questions should be brought to the Purchaser's attention as soon as possible during the bid clarification process, either at the pre-bid meeting or by addressing them to the Purchaser in writing pursuant to ITB Clause 10.

The Purchaser has tried to provide explanatory text and instructions to help the Bidder prepare the forms accurately and completely. The instructions that appear directly on the forms themselves are indicated by use of typographical aides such as italicized text within square brackets as is shown in the following example taken from the Bid Submission Form:

Duly authorized to sign this bid for and on behalf of [*insert: name of Bidder*]

In preparing its bid, the Bidder must ensure all such information is provided and that the typographical aides are removed.

The sample forms provide a standard set of documents that support the procurement process as it moves forward from the stage of bidding, through Contract formation and onto Contract performance. The first set of forms must be completed and submitted as part of the bid prior to the deadline for bid submission. These include: (i) the Bid Submission Form; (ii) the Price Schedules; (iii) the Manufacturer's Authorizations and key Subcontractor agreements; (iv) the List of Proposed Subcontractors; (v) the form(s) for securing the bid (if and as required); and other forms as found in sub-sections 1 through 4 of this Section VII of the Bidding Documents.

- **Bid Submission Form:** In addition to being the place where official confirmation of the bid price, the currency breakdown, the completion date(s), and other important Contract details are expressed, the Bid Submission Form is also used by the Bidder to confirm - in case adjudication applies in this Contract - its acceptance of the Purchaser's proposed Adjudicator, or to propose an alternative. If the bid is being submitted on behalf of a Joint Venture, it is essential that the Bid Submission Form be signed by the partner in charge and that it be supported by the authorizations and power of attorney required pursuant to ITB Clause 6.2. Given widespread concern about illegal use of licensed software, Bidders will be asked to certify in the Bid Submission Form that either the Software included in the bid was developed and is owned by the Bidder, or, if not, the Software is covered by valid licenses with the proprietor of the Software.
- **Price Schedules:** The prices quoted in the Price Schedules should constitute full and fair compensation for supply, installation, and achieving Operational Acceptance of

the System as described in the Technical Requirements based on the Implementation Schedule, and the terms and conditions of the proposed Contract as set forth in the Bidding Documents. Prices should be given for each line item provided in the Schedules, with costs carefully aggregated first at the Subsystem level and then for the entire System. If the Price Schedules provide only a summary breakdown of items and components, or do not cover some items unique to the Bidder's specific technical solution, the Bidder may extend the Schedules to capture those items or components. If supporting price and cost tables are needed for a full understanding of the bid, they should be included.

Arithmetical errors should be avoided. If they occur, the Purchaser will correct them according to ITB Clause 26.2 (ITB Clause 38.2 in the two-stage SBD) without consulting the Bidder. Major omissions, inconsistencies, or lack of substantiating detail can lead to rejection of a bid for commercial non-responsiveness. Presenting prices according to the breakdown prescribed in the Price Schedules is also essential for another reason. If a bid does not separate prices in the prescribed way, and, as a result, the Purchaser cannot apply the domestic preference provision described in ITB Clause 29 (ITB Clause 41 in the two-stage SBD), if they are applicable in this bidding, the Bidder will lose the benefit of the preference. Once bids are opened, none of these problems can be rectified. At that stage, Bidders are not permitted to change their bid prices to overcome errors or omissions.

- **Manufacturer's Authorizations and written agreements by key Subcontractors:** In accordance with ITB Clauses 6.1 (b) and (c), a Bidder may be required to submit, as part of its bid, Manufacturer's Authorizations in the format provided in the Bidding Documents, and agreements by Subcontractors proposed for key services, for all items specified in the Bid Data Sheet. There is no particular format (or sample form) for Subcontractor agreements.
- **List of Proposed Subcontractors:** In accordance with ITB Clause 6.3, a Bidder must submit, as part of its bid, a list of proposed subcontracts for major items of Technologies, Goods, and/or Services. The list should also include the names and places of registration of the Subcontractors proposed for each item and a summary of their qualifications.
- **List of Software and Materials:** In accordance with ITB Clause 13.1 (e) (vi) (ITB Clauses 13.1 (c) (vi) and 25.1 (e) (vi) in the two-stage SBD), Bidders must submit, as part of their bids, lists of all the Software included in the bid assigned to one of the following categories: (A) System, General-Purpose, or Application Software; or (B) Standard or Custom Software. Bidders must also submit a list of all Custom Materials. If provided for in the Bid Data Sheet, the Purchaser may reserve the right to reassign certain key Software to a different category.
- **Qualification information forms:** In accordance with ITB Clause 6, the Purchaser will determine whether the Bidder is qualified to undertake the Contract. This entails financial, technical as well as performance history criteria which are specified in the BDS for ITB Clause 6. The Bidder must provide the necessary information for the

Purchaser to make this assessment through the forms in this sub-section. The forms contain additional detailed instructions which the Bidder must follow.

- **Securing the bid:** If the BDS for ITB Clause 17 (ITB Clause 29 in the two-stage SBD) requires that bids be secured, the Bidder shall do so in accordance with the type and details specified in the same ITB/BDS Clause, either using the form(s) included in these Sample Forms or using another form acceptable to the Purchaser. If a Bidder wishes to use an alternative form, it should ensure that the revised format provides substantially the same protection as the standard format; failing that, the Bidder runs the risk of rejection for commercial non-responsiveness.

Bidders need not provide the Performance Security and Advance Payment Security with their bids. Only the Bidder selected for award by the Purchaser will be required to provide these securities.

The following forms are to be completed and submitted by the successful Bidder following notification of award: (i) Contract Agreement, with all Appendices; (ii) Performance Security; and (iii) Advance Payment Security.

- **Contract Agreement:** In addition to specifying the parties and the Contract Price, the Contract Agreement is where the: (i) Supplier Representative; (ii) if applicable, agreed Adjudicator and his/her compensation; and (iii) the List of Approved Subcontractors are specified. In addition, modifications to the successful Bidder's Bid Price Schedules are attached to the Agreement. These contain corrections and adjustments to the Supplier's bid prices to correct errors, adjust the Contract Price to reflect – if applicable - any extensions to bid validity beyond the last day of original bid validity plus 56 days, etc.
- **Performance Security:** Pursuant to GCC Clause 13.3, the successful Bidder is required to provide the Performance Security in the form contained in this section of these Bidding Documents and in the amount specified in accordance with the SCC.
- **Advance Payment Security:** Pursuant to GCC Clause 13.2, the successful Bidder is required to provide a bank guarantee for the full amount of the Advance Payment - if an Advance Payment is specified in the SCC for GCC 12.1 - in the form contained in this section of these Bidding Documents or another form acceptable to the Purchaser. If a Bidder wishes to propose a different Advance Payment Security form, it should submit a copy to the Purchaser promptly for review and confirmation of acceptability before the bid submission deadline.

The Purchaser and Supplier will use the following additional forms during Contract implementation to formalize or certify important Contract events: (i) the Installation and Operational Acceptance Certificates; and (ii) the various Change Order forms. These and the procedures for their use during performance of the Contract are included in the Bidding Documents for the information of Bidders.

Table of Sample Forms

1. Bid Submission Form (Single-Stage Bidding)	215
2. Price Schedule Form	219
2.1 Preamble	220
2.2 Grand Summary Cost Table.....	222
2.3 Supply and Installation Cost Summary Table	223
2.4 Recurrent Cost Summary Table.....	225
2.5 Supply and Installation Cost Sub-Table 1	226
2.6 Supply and Installation Cost Sub-Table 2	228
2.7 Recurrent Cost Sub-Table <i>R-1</i>	232
2.8 Recurrent Cost Sub-Table <i>R-2</i>	233
2.8 Country of Origin Code Table	234
3. Other Bid Forms and Lists	235
3.1 Manufacturer's Authorization.....	236
3.2 List of Proposed Subcontractors	237
3.3 Software List.....	238
3.4 List of Custom Materials	239
3.5.1 General Information Form	240
3.5.2 General Information Systems Experience Record.....	241
3.5.2a Joint Venture Summary.....	242
3.5.3 Particular Information Systems Experience Record.....	243
3.5.3a Details of Contracts of Similar Nature and Complexity	244
3.5.4 Summary Sheet: Current Contract Commitments / Work in Progress	245
3.5.5 Financial Capabilities	246
3.5.6 Personnel Capabilities.....	248
3.5.6a Candidate Summary	249
3.5.7 Technical Capabilities.....	250
3.5.8 Litigation History.....	251
4. Bid-Securing Declaration	252
4A. Bid Security (Bank Guarantee)	254
4B. Bid Security (Bid Bond)	255
5. Contract Agreement	256
Appendix 1. Supplier's Representative	260
Appendix 2. Adjudicator.....	261
Appendix 3. List of Approved Subcontractors	262
Appendix 4. Categories of Software.....	263

Appendix 5. Custom Materials	264
Appendix 6. Revised Price Schedules	265
Appendix 7. Minutes of Contract Finalization Discussions and Agreed-to Contract Amendments	266
6. Performance and Advance Payment Security Forms	267
6.1 Performance Security Form (Bank Guarantee).....	268
6.2 Advance Payment Security Form (Bank Guarantee).....	269
7. Installation and Acceptance Certificates	270
7.1 Installation Certificate.....	271
7.2 Operational Acceptance Certificate	272
8. Change Order Procedures and Forms.....	273
8.1 Request for Change Proposal Form	274
8.2 Change Estimate Proposal Form.....	276
8.3 Estimate Acceptance Form	278
8.4 Change Proposal Form.....	280
8.5 Change Order Form	282
8.6 Application for Change Proposal Form	284

1. BID SUBMISSION FORM (SINGLE-STAGE BIDDING)

Date:[Bidder insert: **date of bid**]

Loan/Credit No: *H307-BHU*

IFB: *Supply and installation of Software and Hardware technology- RMA-RSEBL-1*

Contract: *Supply and installation of Software and Hardware technology*

To: *Director,*

Administrative and Finance department

Royal Monetary Authority of Bhutan

City: Thimphu,

Country: Bhutan

Dear Sir or Madam:

Having examined the Bidding Documents, including Addenda Nos. [*insert numbers*], the receipt of which is hereby acknowledged, we, the undersigned, offer to supply, install, achieve Operational Acceptance of, and support the Information System under the above-named Contract in full conformity with the said Bidding Documents for the sum of:

[*insert: amount of local currency in words*] ([*insert: amount of local currency in figures from corresponding Grand Total entry of the Grand Summary Cost Table*])

plus [*insert: amount of foreign currency A in words*] ([*insert: amount of foreign currency A in figures from corresponding Grand Total entry of the Grand Summary Cost Table*])

[*as appropriate, add the following*]

plus [*insert: amount of foreign currency B in words*] ([*insert: amount of foreign currency B in figures from corresponding Grand Total entry of the Grand Summary Cost Table*])

plus [*insert: amount of foreign currency C in words*] ([*insert: amount of foreign currency C in figures from*

currency C in words]

*corresponding Grand Total entry of
the Grand Summary Cost Table])*

or such other sums as may be determined in accordance with the terms and conditions of the Contract. The above amounts are in accordance with the Price Schedules attached herewith and made part of this bid.

We undertake, if our bid is accepted, to commence work on the Information System and to achieve Installation and Operational Acceptance within the respective times stated in the Bidding Documents.

If our bid is accepted, and if these Bidding Documents so require, we undertake to provide an advance payment security and a performance security in the form, in the amounts, and within the times specified in the Bidding Documents.

[As appropriate, include or delete the following paragraph]

“We accept the appointment of **Mr. Ugyen Dorji** as the Adjudicator.”

[and delete the following paragraph, or, as appropriate, delete the above and include the following, or, if no Adjudicator is stated in the Bid Data Sheet, delete both the above and the following]

“We do not accept the appointment of **Mr. Ugyen Dorji** as the Adjudicator, and we propose instead that *[insert: name]* be appointed as Adjudicator, whose résumé and hourly fees are attached.”

We hereby certify that the Software offered in this bid and to be supplied under the Contract (i) either is owned by us, or (ii) if not owned by us, is covered by a valid license from the proprietor of the Software.

We agree to abide by this bid, which, in accordance with ITB Clauses 13 and 16, consists of this letter (Bid Submission Form) and the enclosures listed below, for a period of 100 days from the date fixed for submission of bids as stipulated in the Bidding Documents, and it shall remain binding upon us and may be accepted by you at any time before the expiration of that period.

Commissions or gratuities, if any, paid or to be paid by us to agents relating to this Bid, and to Contract execution if we are awarded the Contract, are listed below:

Name and Address of Agent	Amount Currency	and	Purpose Commission Gratuity	of or
------------------------------	--------------------	-----	-----------------------------------	----------

Etc.

[if none, state: “none”]

Until the formal final Contract is prepared and executed between us, this bid, together with your written acceptance of the bid and your notification of award, shall constitute a binding contract between us. We understand that you are not bound to accept the lowest or any bid you may receive.

Dated this [*insert: ordinal*] day of [*insert: month*], [*insert: year*].

Signed:

Date:

In the capacity of [*insert: title or position*]

Duly authorized to sign this bid for and on behalf of [*insert: name of Bidder*]

ENCLOSURES:

Price Schedules

Bid-Securing Declaration or Bid-Security (if and as required)

Signature Authorization [*plus, in the case of a Joint Venture Bidder, list all other authorizations pursuant to ITB Clause 6.2*]

Attachment 1. Bidder's Eligibility

Attachment 2. Bidder's Qualifications (including Manufacturer's Authorizations and Subcontractor agreements if and as required)

Attachment 3. Eligibility of Goods and Services

Attachment 4. Conformity of the Information System to the Bidding Documents

Attachment 5. Proposed Subcontractors

Attachment 6. Intellectual Property (Software and Materials Lists)

[*if appropriate, specify further attachments or other enclosures*]

Bid Table of Contents and Checklist

Note: Bidders should expand and (if appropriate) modify and complete the following table. The purpose of the table is to provide the Bidder with a summary checklist of items that must be included in the bid as described in ITB Clauses 13.1 and 16, in order for the bid to be considered for Contract award. The table also provides a summary page reference scheme to ease and speed the Purchaser’s bid evaluation process.

Item	present: y/n	page no.
Bid Submission Form.....		
Price Schedules		
Bid-Securing Declaration / Bid-Security (if and as required)		
Signature Authorization (for Joint Ventures additionally including the authorizations listed in ITB Clause 6.2) ...		
Attachment 1		
Attachment 2		
Manufacturer’s Authorizations		
Subcontractor agreements		
Attachment 3		
Attachment 4		
Attachment 5		
Attachment 6		
.....		

2. PRICE SCHEDULE FORM

2.1 PREAMBLE

General

1. The Price Schedules are divided into separate Schedules as follows:
 - 2.2 Grand Summary Cost Table
 - 2.3 Supply and Installation Cost Summary Table
 - 2.4 Recurrent Cost Summary Table
 - 2.5 Supply and Installation Cost Sub-Table(s)
 - 2.6 Recurrent Cost Sub-Tables(s)
 - 2.7 Country of Origin Code Table
2. The Schedules do not generally give a full description of the information technologies to be supplied, installed, and operationally accepted, or the Services to be performed under each item. However, it is assumed that Bidders shall have read the Technical Requirements and other sections of these Bidding Documents to ascertain the full scope of the requirements associated with each item prior to filling in the rates and prices. The quoted rates and prices shall be deemed to cover the full scope of these Technical Requirements, as well as overhead and profit.
3. If Bidders are unclear or uncertain as to the scope of any item, they shall seek clarification in accordance with the Instructions to Bidders in the Bidding Documents prior to submitting their bid.

Pricing

4. Prices shall be filled in indelible ink, and any alterations necessary due to errors, etc., shall be initialed by the Bidder. As specified in the Bid Data Sheet, prices shall be fixed and firm for the duration of the Contract.
5. Bid prices shall be quoted in the manner indicated and in the currencies specified in ITB Clauses 14 and 15 (ITB Clauses 27 and 28 in the two-stage SBD). Prices must correspond to items of the scope and quality defined in the Technical Requirements or elsewhere in these Bidding Documents.
6. The Bidder must exercise great care in preparing its calculations, since there is no opportunity to correct errors once the deadline for submission of bids has passed. A single error in specifying a unit price can therefore change a Bidder's overall total bid price substantially, make the bid noncompetitive, or subject the Bidder to possible loss. The Purchaser will correct any arithmetic error in accordance with the provisions of ITB Clause 26.2 (ITB Clause 38.2 in the two-stage SBD).
7. Payments will be made to the Supplier in the currency or currencies indicated under each respective item. As specified in ITB Clause 15.1 (ITB Clause 28.1 in the two-

stage SBD), no more than three foreign currencies may be used. The price of an item should be unique regardless of installation site.

2.2 Grand Summary Cost Table

		<i>[insert: Local Currency]</i>	<i>[insert: Foreign Currency A]</i>	<i>[insert: Foreign Currency B]</i>	<i>[insert: Foreign Currency C]</i>
		Price	Price	Price	Price
1.	Supply and Installation Costs (from Supply and Installation Cost Summary Table)				
2.	Recurrent Costs (from Recurrent Cost Summary Table)				
3.	Grand Totals (to Bid Submission Form)				

Name of Bidder:		
Authorized Signature of Bidder:		

2.3 Supply and Installation Cost Summary Table

“entire System procurement”

Costs MUST reflect prices and rates quoted in accordance with ITB Clauses 14 and 15 .

			Supply & Installation Prices				
			Locally supplied items	Items supplied from outside the Purchaser’s Country			
Line Item No.	Subsystem / Item (As per System Inventory Table-A of Technical Requirements Section VI)	Supply and Installation Cost Sub-Table No.	[insert: Local Currency] Price	[insert: Local Currency] Price	[insert: Foreign Currency A] Price	[insert: Foreign Currency B] Price	[insert: Foreign Currency C] Price
1	Exchange System	1					
2	Infrastructure Development	2					
SUBTOTALS							
TOTAL (To Grand Summary Table)							

Note: - - indicates not applicable. “ indicates repetition of table entry above. Refer to the relevant Supply and Installation Cost Sub-Table for the specific components that constitute each Subsystem or line item in this summary table

Name of Bidder:	
Authorized Signature of Bidder:	

--	--	--

2.4 Recurrent Cost Summary Table

entire System procurement

Costs MUST reflect prices and rates quoted in accordance with ITB Clauses 14 and 15 (ITB Clauses 27 and 28 in the two-stage SBD).

Line Item No.	Subsystem / Item	Recurrent Cost Sub-Table No.	[insert: Local Currency] Price	[insert: Foreign Currency A] Price	[insert: Foreign Currency B] Price	[insert: Foreign Currency C] Price
	Recurrent Cost Items					
1	Exchange System	R-1				
2	Infrastructure Development	R-2				
	Subtotals (to Grand Summary Table)					

Note: Refer to the relevant Recurrent Cost Sub-Tables for the specific components that constitute the Subsystem or line item in this summary table.

Name of Bidder:		
Authorized Signature of Bidder:		

				Unit Prices / Rates					Total Prices				
				Supplied Locally	Supplied from outside the Purchaser's Country				Supplied Locally	Supplied from outside the Purchaser's Country			
Component No.	Component Description	Country of Origin Code	Quantity	[insert: local currency]	[insert: local currency]	[insert: foreign currency A]	[insert: foreign currency B]	[insert: foreign currency C]	[insert: local currency]	[insert: local currency]	[insert: foreign currency A]	[insert: foreign currency B]	[insert: foreign currency C]
	Exchange System												
1.5	Clearing and settlements system		1										
1.6	IPO Engine		1										
Subtotals (to <i>line item 1</i>] of Supply and Installation Cost Summary Table)													

Note: - - indicates not applicable.

Name of Bidder:		
Authorized Signature of Bidder:		

				Unit Prices / Rates					Total Prices				
				Supplied Locally	Supplied from outside the Purchaser's Country			Supplied Locally	Supplied from outside the Purchaser's Country				
Component No.	Component Description	Country of Origin Code	Quantity	[insert: local currency]	[insert: local currency]	[insert: foreign currency A]	[insert: foreign currency B]	[insert: foreign currency C]	[insert: local currency]	[insert: local currency]	[insert: foreign currency A]	[insert: foreign currency B]	[insert: foreign currency C]
	Infrastructure Development												
11	Rack		1										
12.	KVM Switch		1										
13.	Air Conditioner		1										
14.	Windows Server 2008 Standard Edition		3										
15.	MS SQL Server 2005 Enterprise Edition		1										
16.	Digital Certificate		1										
17.	Antivirus (Mcafee)		1										
Subtotals (to <i>line item 2</i>] of Supply and Installation Cost Summary Table)													

Note: - - indicates not applicable.

Name of Bidder:		
Authorized Signature of Bidder:		

2.7 Recurrent Cost Sub-Table R-1

Lot number: *single lot procurement*

Line item number: *1*

Currency: *the currency of the Recurrent Costs in which the costs expressed in this Sub-Table are expressed*]

Costs MUST reflect prices and rates quoted in accordance with ITB Clauses 14 and 15. Unit prices for the same item appearing several times in the table must be identical in amount and currency.

		Maximum all-inclusive costs (for costs in [insert: <i>currency</i>])						
Component No.	Component	Y1	Y2	Y3	Y4	Y5	Y6	Sub-total for [insert: <i>currency</i>]
1.	Annual Maintenance for Exchange System (for 2nd, 3rd, 4th, 5th and 6 th year)(On site manpower resources as per requirement and online support).	Incl. in Warranty						
Cumulative Subtotal (to [insert: <i>currency</i>] entry for <i>line item No 1</i> in the Recurrent Cost Summary Table)								

Name of Bidder:		
Authorized Signature of Bidder:		

2.8 Recurrent Cost Sub-Table R-2

Lot number: *single lot procurement*

Line item number: *2*

Currency: [specify: *the currency of the Recurrent Costs in which the costs expressed in this Sub-Table are expressed*]

Costs MUST reflect prices and rates quoted in accordance with ITB Clauses 14 and Unit prices for the same item appearing several times in the table must be identical in amount and currency.

		Maximum all-inclusive costs (for costs in [insert: <i>currency</i>])						
Component No.	Component	Y1	Y2	Y3	Y4	Y..	Y8	Sub-total for [insert: <i>currency</i>]
1.	Annual Maintenance Services for Infrastructure Development for 5 years after the expiry of warranty period (Online support, spare parts and down time of 24 hours)	Incl. in Warranty	Incl. in Warranty	Incl. in Warranty				
Cumulative Subtotal (to [insert: <i>currency</i>] entry for <i>line item No 2</i> in the Recurrent Cost Summary Table)								

Name of Bidder:		
Authorized Signature of Bidder:		

3. OTHER BID FORMS AND LISTS

3.1 Manufacturer’s Authorization

Invitation for Bids Title and No.:
[If applicable:] Lot, Slice, Subsystem No(s):

To: _____

WHEREAS _____ who are official producers of
_____ and having production facilities at
_____ do hereby authorize
_____ located at
_____ (hereinafter, the “Bidder”)
to submit a bid and subsequently negotiate and sign a Contract with you for resale of the
following Products produced by us:

We hereby confirm that, in case the bidding results in a Contract between you and the Bidder, the above-listed products will come with our full standard warranty.

Name _____ In the capacity of _____

Signed _____

Duly authorized to sign the authorization for and on behalf of : _____

Dated on _____ day of _____, _____.

Note: This authorization should be written on the letterhead of the Manufacturer and be signed by a person with the proper authority to sign documents that are binding on the Manufacturer.

3.5.1 General Information Form

All individual firms and each partner of a Joint Venture that are bidding must complete the information in this form. Nationality information should be provided for all owners or Bidders that are partnerships or individually owned firms.

Where the Bidder proposes to use named Subcontractors for highly specialized components of the Information System, the following information should also be supplied for the Subcontractor(s), together with the information in Forms 3.5.2, 3.5.3, 3.5.3a, 3.5.4, and 3.5.5. Joint Ventures must also fill out Form 3.5.2a.

1.	Name of firm	
2.	Head office address	
3.	Telephone	Contact
4.	Fax	Telex
5.	Place of incorporation / registration	Year of incorporation / registration

Nationality of owners ¹		
Name		Nationality
1.		
2.		
3.		
4.		
5.		

^{1/} To be completed by all owners of partnerships or individually owned firms.

3.5.2 General Information Systems Experience Record

Name of Bidder or partner of a Joint Venture
--

All individual firms and all partners of a Joint Venture must complete the information in this form with regard to the management of Information Systems contracts generally. The information supplied should be the annual turnover of the Bidder (or each member of a Joint Venture), in terms of the amounts billed to clients for each year for work in progress or completed, converted to U.S. dollars at the rate of exchange at the end of the period reported. The annual periods should be calendar years, with partial accounting for the year up to the date of submission of applications. This form may be included for Subcontractors only if the Bid Data Sheet for ITB Clause 6.1 (a) explicitly permits experience and resources of (certain) Subcontractors to contribute to the Bidder's qualifications.

A brief note on each contract should be appended, describing the nature of the Information System, duration and amount of contract, managerial arrangements, purchaser, and other relevant details.

Use a separate page for each partner of a Joint Venture, and number these pages.

Bidders should not enclose testimonials, certificates, and publicity material with their applications; they will not be taken into account in the evaluation of qualifications.

Annual turnover data (applicable activities only)		
Year ¹	Turnover	US\$ equivalent
1.		
2.		
3.		
4.		
5.		
^{1/}	Commencing with the partial year up to the date of submission of bids	

3.5.2a Joint Venture Summary

Names of all partners of a Joint Venture
1. Partner in charge
2. Partner
3. Partner
4. Partner
5. Partner
6. etc.

Total value of annual turnover, in terms of Information System billed to clients, in US\$ equivalent, converted at the rate of exchange at the end of the period reported:

Annual turnover data (applicable activities only; US\$ equivalent)						
Partner	Form 3.5.2 page no.	Year 1	Year 2	Year 3	Year 4	Year 5
1. Partner in charge						
2. Partner						
3. Partner						
4. Partner						
5. Partner						
6. Etc.						
Totals						

3.5.3 Particular Information Systems Experience Record

Name of Bidder or partner of a Joint Venture
--

On separate pages, using the format of Form 3.5.3a, the Bidder is requested to list contracts of a similar nature, complexity, and requiring similar information technology and methodologies to the contract or contracts for which these Bidding Documents are issued, and which the Bidder has undertaken during the period, and of the number, specified in the BDS for ITB Clause 6.1 (a). Each partner of a Joint Venture should separately provide details of its own relevant contracts. The contract value should be based on the payment currencies of the contracts converted into U.S. dollars, at the date of substantial completion, or for ongoing contracts at the time of award.

3.5.3a Details of Contracts of Similar Nature and Complexity

Name of Bidder or partner of a Joint Venture
--

Use a separate sheet for each contract.

1.	Number of contract	
	Name of contract	
	Country	
2.	Name of Purchaser	
3.	Purchaser address	
4.	Nature of Information Systems and special features relevant to the contract for which the Bidding Documents are issued	
5.	Contract role (check one) <input type="checkbox"/> Prime Supplier <input type="checkbox"/> Management Contractor <input type="checkbox"/> Subcontractor <input type="checkbox"/> Partner in a Joint Venture	
6.	Amount of the total contract/subcontract/partner share (in specified currencies at completion, or at date of award for current contracts) Currency Currency Currency	
7.	Equivalent amount US\$ Total contract: \$_____; Subcontract: \$_____; Partner share: \$_____;	
8.	Date of award/completion	
9.	Contract was completed ____ months ahead/behind original schedule (if behind, provide explanation).	
10.	Contract was completed US\$ _____ equivalent under/over original contract amount (if over, provide explanation).	
11.	Special contractual/technical requirements.	
12.	Indicate the approximate percent of total contract value (and US\$ amount) of Information System undertaken by subcontract, if any, and the nature of such Information System.	

3.5.4 Summary Sheet: Current Contract Commitments / Work in Progress

Name of Bidder or partner of a Joint Venture
--

Bidders and each partner to an Joint Venture bid should provide information on their current commitments on all contracts that have been awarded, or for which a letter of intent or acceptance has been received, or for contracts approaching completion, but for which an unqualified, full completion certificate has yet to be issued.

Name of contract	Purchaser, contact address/tel./fax	Value of outstanding Information System (current US\$ equivalent)	Estimated completion date	Average monthly invoicing over last six months (US\$/month)
1.				
2.				
3.				
4.				
5.				
etc.				

3.5.5 Financial Capabilities

Name of Bidder or partner of a Joint Venture
--

Bidders, including each partner of a Joint Venture, shall provide financial information to demonstrate that they meet the requirements stated in the BDS for ITB Clause 6.1 (a). Each Bidder or partner of a Joint Venture shall complete this form. If necessary, separate sheets shall be used to provide complete banker information. A copy of the audited balance sheets shall be attached.

Autonomous subdivisions of parent conglomerate businesses shall submit financial information related only to the particular activities of the subdivision.

Banker	Name of banker	
	Address of banker	
	Telephone	Contact name and title
	Fax	Telex

Summarize actual assets and liabilities in U.S. dollar equivalent (at the rates of exchange current at the end of each year) for the previous five calendar years. Based upon known commitments, summarize projected assets and liabilities in U.S. dollar equivalent for the next two calendar years, unless the withholding of such information by stock market listed public companies can be substantiated by the Bidder.

Financial information in US\$ equivalent	Actual: Previous five years					Projected: Next two years	
	5	4	3	2	1	1	2
1. Total assets							
2. Current assets							
3. Total liabilities							
4. Current liabilities							
5. Profits before taxes							
6. Profits after taxes							

Specify proposed sources of financing, such as liquid assets, unencumbered real assets, lines of credit, and other financial means, net of current commitments, available to meet the total construction cash flow demands of the subject contract or contracts as indicated in the BDS for ITB Clause 6.1 (a).

Source of financing	Amount (US\$ equivalent)
1.	
2.	
3.	
4.	

Attach audited financial statements—including, as a minimum, profit and loss account, balance sheet, and explanatory notes—for the period stated in the BDS for ITB Clause 6.1 (a) (for the individual Bidder or each partner of a Joint Venture).

If audits are not required by the laws of Bidders' countries of origin, partnerships and firms owned by individuals may submit their balance sheets certified by a registered accountant, and supported by copies of tax returns,

3.5.6 Personnel Capabilities

Name of Bidder

For specific positions essential to contract management and implementation (and/or those specified in the Bidding Documents, if any), Bidders should provide the names of at least two candidates qualified to meet the specified requirements stated for each position. The data on their experience should be supplied on separate sheets using one Form 3.5.6a for each candidate.

Bidders may propose alternative management and implementation arrangements requiring different key personnel, whose experience records should be provided.

1.	Title of position
	Name of prime candidate
	Name of alternate candidate
2.	Title of position
	Name of prime candidate
	Name of alternate candidate
3.	Title of position
	Name of prime candidate
	Name of alternate candidate
4.	Title of position
	Name of prime candidate
	Name of alternate candidate

3.5.7 Technical Capabilities

Name of Bidder

The Bidder shall provide adequate information to demonstrate clearly that it has the technical capability to meet the requirements for the Information System. With this form, the Bidder should summarize important certifications, proprietary methodologies, and/or specialized technologies which the Bidder proposes to utilize in the execution of the Contract or Contracts.

4. BID-SECURING DECLARATION

IFB: *Supply and installation of Software and Hardware technology- RMA-RSEBL-1*

To: *Director,*

Administrative and Finance Department

Royal Monetary Authority of Bhutan

City: Thimphu,

Country: Bhutan

We, the undersigned, declare that:

We understand that, according to your conditions, bids must be supported by a Bid-Securing Declaration.

We accept that we, and in the case of a Joint Venture all partners to it, will automatically be suspended from being eligible for participating in bidding for any contract with you for the period of time of *3 years*, in case of, and starting from the date of, breaching our obligation(s) under the bidding conditions due to:

- (a) withdrawing our bid, or any part of our bid, during the period of bid validity specified in the Bid Submission Form or any extension of the period of bid validity which we subsequently agreed to; or
- (b) having been notified of the acceptance of our bid by you during the period of bid validity, (i) failing or refusing to execute the Contract Agreement, or (ii) failing or refusing to furnish the performance security, if required, in accordance with the Instructions to Bidders.

We understand this Bid-Securing Declaration shall expire if we are not the successful Bidder, upon the earlier of (i) our receipt of your notification to us of the name of the successful Bidder; or (ii) twenty-eight days after the expiration of the period of bid validity.

If the submission of alternative bids was permitted, and in case we did submit one or more alternative bids, this Bid-Securing Declaration applies to these parts of our bid as well.

Signed: *[insert: signature of person whose name and capacity are shown below]*

Name: *[insert: name of person signing the Bid-Securing Declaration]*, in the capacity of *[insert: legal capacity of person signing the Bid-Securing Declaration]*

Duly authorized to sign the bid for and on behalf of: *[insert: name of Bidder]*

Dated on _____ day of _____, 20__

[add Corporate Seal (where appropriate)]

[Note to Bidders: Joint Ventures need to ensure that, their Bid-Securing Declaration meets the requirements for Joint Ventures as stated in the ITB Clause on "Securing the Bid".]

4A. BID SECURITY (BANK GUARANTEE)

[insert: Bank's Name, and Address of Issuing Branch or Office]

Beneficiary: *[insert: Name and Address of Purchaser]*

Date: *[insert: date]*

BID GUARANTEE No.: *[insert: Bid Guarantee Number]*

We have been informed that *[insert: name of the Bidder]* (hereinafter called "the Bidder") has submitted to you its bid dated *[insert: bid date]* (hereinafter called "the Bid") for the execution of *[insert: name of contract]* under Invitation for Bids No. *[insert: IFB number]*.

Furthermore, we understand that, according to your conditions, bids must be supported by a bid guarantee, and that the bid guarantee automatically covers any alternative bids included in the Bid, if the Bidder is permitted to offer alternatives and does so.

At the request of the Bidder, we *[insert: name of Bank]* hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of *[insert: amount in figures]* (*[insert: amount in words]*) upon receipt by us of your first demand in writing accompanied by a written statement stating that the Bidder is in breach of its obligation(s) under the bid conditions, because the Bidder:

- (a) has withdrawn the Bid (or any parts of it) during the period of bid validity specified by the Bidder in the Bid Submission Form or any extension of the period of bid validity which the Bidder subsequently agreed to; or
- (b) having been notified of the acceptance of the Bid by you during the period of bid validity, (i) failed or refused to execute the Contract Agreement, or (ii) failed or refused to furnish the performance security, if required, in accordance with the Instructions to Bidders.

This guarantee will expire: (a) if the Bidder is the successful bidder, upon our receipt of copies of the contract signed by the Bidder and the performance security issued to you upon the instruction of the Bidder; or (b) if the Bidder is not the successful bidder, upon the earlier of (i) our receipt of a copy of your notification to the Bidder of the name of the successful bidder; or (ii) twenty-eight days after the expiration of the Bid's validity.

Consequently, any demand for payment under this guarantee must be received by us at the office on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees, ICC Publication No. 458.

[Signature(s)]

[Note to Bidders: Instructions on amount and currency can be found in the ITB Clause and BDS for "Securing the Bid." Joint Ventures need to also ensure that their Bank Guarantee meets the requirements for Joint Ventures as provided in the same Clause.]

4B. BID SECURITY (BID BOND)

BOND NO.: _____

BY THIS BOND, [*insert: name of Bidder*] as Principal (hereinafter called “the Principal”), and [*insert: name, legal title, and address of surety*], authorized to transact business in *Bhutan*, as Surety (hereinafter called “the Surety”), are held and firmly bound unto *Royal Monetary Authority of Bhutan* as Obligee (hereinafter called “the Purchaser”) in the sum of [*insert amount of Bond in currency, figures and words*], for the payment of which sum, well and truly to be made, we, the said Principal and Surety, bind ourselves, our successors and assigns, jointly and severally, firmly by these presents.

WHEREAS the Principal has submitted a written bid to the Purchaser dated the ___ day of _____, 20___, for the execution of *Supply and installation of Software and Hardware technology* (hereinafter called “the Bid”). If the Principal was permitted by the bidding conditions to submit alternative bid(s) and did so, then these are deemed part of the Bid and thus covered by this Bond.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that if the Principal:

- (a) withdraws the Bid (or any parts of it) during the period of the Bid's validity specified in the Bid Submission Form, or any extension of the period of the Bid's validity the Principal subsequently agreed to, notice of which to the Surety is hereby waived; or
- (b) having been notified of the acceptance of the Bid by the Purchaser during the period of the Bid's validity, (i) fails or refuses to execute the Contract Agreement, or (ii) fails or refuses to furnish the performance security, if required, in accordance with the Instructions to Bidders;

then the Surety undertakes to immediately pay to the Purchaser up to the above amount upon receipt of the Purchaser's first written demand, without the Purchaser having to substantiate its demand, provided that in its demand the Purchaser shall state that the demand arises from the occurrence of any of the above events, specifying which event(s) has/have occurred.

The Surety hereby agrees that its obligation will remain in full force and effect up to and including the date 28 days after the date of expiration of the Bid's validity.

IN TESTIMONY WHEREOF, the Principal and the Surety have caused these presents to be executed in their respective names this ___ day of _____ 20___.

Principal: _____ Surety: _____

[add Corporate Seal(s) (where appropriate)]

[Signature]

[Signature]

[state: **printed name and title**]

[state: **printed name and title**]

[Note to Bidders: Instructions on amount and currency can be found in the ITB Clause and BDS for "Securing the Bid." Joint Ventures need to also ensure that their Bid Bond meets the requirements for Joint Ventures as provided in the same Clause.]

5. CONTRACT AGREEMENT

THIS CONTRACT AGREEMENT is made

the [*insert: ordinal*] day of [*insert: month*], [*insert: year*].

BETWEEN

- (1) *Royal Monetary Authority of Bhutan* and having its principal place of business at Chhophel Lam, Kawajangsa, P. O. Box 154, Thimphu, Bhutan, (hereinafter called “the Purchaser”), and [*insert: name of Supplier*], a corporation incorporated under the laws of [*insert: country of Supplier*] and having its principal place of business at [*insert: address of Supplier*] (hereinafter called “the Supplier”).

WHEREAS the Purchaser desires to engage the Supplier to supply, install, achieve Operational Acceptance of, and support the following Information System, a fully developed and implemented end-to-end solution for stock exchange including infrastructure for hosting of envisaged system (“the System”) or (“Information Technologies”), and the Supplier has agreed to such engagement upon and subject to the terms and conditions appearing below in this Contract Agreement.

NOW IT IS HEREBY AGREED as follows:

- | | |
|---------------------------|--|
| Article | 1. 1.1 Contract Documents (Reference GCC Clause 1.1 (a) (ii)) |
| Contract Documents | <p>The following documents shall constitute the Contract between the Purchaser and the Supplier, and each shall be read and construed as an integral part of the Contract:</p> <ul style="list-style-type: none"> (a) This Contract Agreement and the Appendices attached to the Contract Agreement (b) Special Conditions of Contract (c) General Conditions of Contract (d) Technical Requirements (including Implementation Schedule) (e) The Supplier’s bid and original Price Schedules <p>1.2 Order of Precedence (Reference GCC Clause 2)</p> <p>In the event of any ambiguity or conflict between the Contract</p> |

Documents listed above, the order of precedence shall be the order in which the Contract Documents are listed in Article 1.1 (Contract Documents) above, provided that Appendix 7 shall prevail over all provisions of the Contract Agreement and the other Appendices attached to the Contract Agreement and all the other Contract Documents listed in Article 1.1 above.

1.3 Definitions (Reference GCC Clause 1)

Capitalized words and phrases used in this Contract Agreement shall have the same meanings as are ascribed to them in the General Conditions of Contract.

Article 2. 2.1 Contract Price (Reference GCC Clause 1.1(a)(viii) and GCC Clause 11)

**Contract Price
and Terms of
Payment**

The Purchaser hereby agrees to pay to the Supplier the Contract Price in consideration of the performance by the Supplier of its obligations under the Contract. The Contract Price shall be the aggregate of: *[insert: amount of foreign currency A in words]*, *[insert: amount in figures]*, plus *[insert: amount of foreign currency B in words]*, *[insert: amount in figures]*, plus *[insert: amount of foreign currency C in words]*, *[insert: amount in figures]*, *[insert: amount of local currency in words]*, *[insert: amount in figures]*, as specified in the Grand Summary Price Schedule.

The Contract Price shall be understood to reflect the terms and conditions used in the specification of prices in the detailed price schedules, including the terms and conditions of the associated Incoterms, and the taxes, duties and related levies if and as identified.

Article 3. 3.1 Effective Date (Reference GCC Clause 1.1 (e) (ix))

**Effective Date
for
Determining
Time for
Operational
Acceptance**

The time allowed for supply, installation, and achieving Operational Acceptance of the System shall be determined from the date when all of the following conditions have been fulfilled:

- (a) This Contract Agreement has been duly executed for and on behalf of the Purchaser and the Supplier;
- (b) The Supplier has submitted to the Purchaser the performance security and the advance payment security, in accordance with GCC Clause 13.2 and GCC Clause 13.3;
- (c) The Purchaser has paid the Supplier the advance payment, in accordance with GCC Clause 12;
- (d) *[specify here: any other conditions, for example,*

opening/confirmation of letter of credit].

Each party shall use its best efforts to fulfill the above conditions for which it is responsible as soon as practicable.

- 3.2 If the conditions listed under 3.1 are not fulfilled within two (2) months from the date of this Contract Agreement because of reasons not attributable to the Supplier, the parties shall discuss and agree on an equitable adjustment to the Contract Price and the Time for Achieving Operational Acceptance and/or other relevant conditions of the Contract.

Article 4. 4.1 The Appendixes listed below shall be deemed to form an integral part of this Contract Agreement.

Appendixes

- 4.2 Reference in the Contract to any Appendix shall mean the Appendixes listed below and attached to this Contract Agreement, and the Contract shall be read and construed accordingly.

APPENDIXES

- Appendix 1. Supplier's Representative
- Appendix 2. Adjudicator [*if there is no Adjudicator, state "not applicable"*]
- Appendix 3. List of Approved Subcontractors
- Appendix 4. Categories of Software
- Appendix 5. Custom Materials
- Appendix 6. Revised Price Schedules (if any)
- Appendix 7. Minutes of Contract Finalization Discussions and Agreed-to Contract Amendments

IN WITNESS WHEREOF the Purchaser and the Supplier have caused this Agreement to be duly executed by their duly authorized representatives the day and year first above written.

For and on behalf of the Purchaser

Signed:

in the capacity of [*insert: title or other appropriate designation*]

in the presence of

For and on behalf of the Supplier

Signed:

in the capacity of [*insert: title or other appropriate designation*]

in the presence of

CONTRACT AGREEMENT

dated the [*insert: number*] day of [*insert: month*], [*insert: year*]

BETWEEN

[*insert: name of Purchaser*], “the Purchaser”

and

[*insert: name of Supplier*], “the Supplier”

Appendix 1. Supplier's Representative

In accordance with GCC Clause 1.1 (b) (iv), the Supplier's Representative is:

Name: *[insert: **name** and provide title and address further below, or state “to be nominated within fourteen (14) days of the Effective Date”]*

Title: *[if appropriate, insert: **title**]*

In accordance with GCC Clause 4.3, the Supplier's addresses for notices under the Contract are:

Address of the Supplier's Representative: *[as appropriate, insert: **personal delivery, postal, cable, telegraph, telex, facsimile, electronic mail, and/or EDI addresses.**]*

Fallback address of the Supplier: *[as appropriate, insert: **personal delivery, postal, cable, telegraph, telex, facsimile, electronic mail, and/or EDI addresses.**]*

Appendix 2. Adjudicator

In accordance with GCC Clause 1.1 (b) (vi), the agreed-upon Adjudicator is:

Name: *Ugyen Dorji*

Title: *Mr.*

Address: *UC Associates, Private Legal Firm, Thimphu Bhutan*

Telephone: 00975-2-17624102

In accordance with GCC Clause 6.1.3, the agreed-upon fees and reimbursable expenses are:

Hourly Fees: *2000*

Reimbursable Expenses: *Not Applicable*

Pursuant to GCC Clause 6.1.4, if at the time of Contract signing, agreement has not been reached between the Purchaser and the Supplier, an Adjudicator will be appointed by the Appointing Authority named in the SCC.

Appendix 3. List of Approved Subcontractors

The Purchaser has approved use of the following Subcontractors nominated by the Supplier for carrying out the item or component of the System indicated. Where more than one Subcontractor is listed, the Supplier is free to choose between them, but it must notify the Purchaser of its choice sufficiently in advance of the time when the subcontracted work needs to commence to give the Purchaser reasonable time for review. In accordance with GCC Clause 20.1, the Supplier is free to submit proposals for Subcontractors for additional items from time to time. No subcontracts shall be placed with any such Subcontractors for additional items until the Subcontractors have been approved in writing by the Purchaser and their names have been added to this list of Approved Subcontractors, subject to GCC Clause 20.3.

[specify: item, approved Subcontractors, and their place of registration that the Supplier proposed in the corresponding attachment to its bid and that the Purchaser approves that the Supplier engage during the performance of the Contract. Add additional pages as necessary.]

Item	Approved Subcontractors	Place of Registration

Appendix 6. Revised Price Schedules

The attached Revised Price Schedules (if any) shall form part of this Contract Agreement and, where differences exist, shall supersede the Price Schedules contained in the Supplier's Bid. These Revised Price Schedules reflect any corrections or adjustments to the Supplier's bid price, pursuant to the ITB Clauses 18.3, 26.2, and 33.1 (ITB Clauses 30.3, 38.2, and 45.1 in the two-stage SBD).

Appendix 7. Minutes of Contract Finalization Discussions and Agreed-to Contract Amendments

The attached Contract amendments (if any) shall form part of this Contract Agreement and, where differences exist, shall supersede the relevant clauses in the GCC, SCC, Technical Requirements, or other parts of this Contract as defined in GCC Clause 1.1 (a) (ii).

6. PERFORMANCE AND ADVANCE PAYMENT SECURITY FORMS

6.1 Performance Security Form (Bank Guarantee)

[insert: Bank's Name, and Address of Issuing Branch or Office]

Beneficiary: *[insert: Name and Address of Purchaser]*

Date: *[insert: date]*

PERFORMANCE GUARANTEE No.: *[insert: Performance Guarantee Number]*

We have been informed that on *[insert: date of award]* you awarded Contract No. *[insert: Contract number]* for *[insert: title and/or brief description of the Contract]* (hereinafter called "the Contract") to *[insert: complete name of Supplier]* (hereinafter called "the Supplier"). Furthermore, we understand that, according to the conditions of the Contract, a performance guarantee is required.

At the request of the Supplier, we hereby irrevocably undertake to pay you any sum(s) not exceeding *[insert: amount(s)¹ in figures and words]* upon receipt by us of your first demand in writing declaring the Supplier to be in default under the Contract, without cavil or argument, or your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

On the date of your issuing, to the Supplier, the Operational Acceptance Certificate for the System, the value of this guarantee will be reduced to any sum(s) not exceeding *[insert: amount(s)¹ in figures and words]*. This remaining guarantee shall expire no later than *[insert: number and select: of months/of years (of the Warranty Period that needs to be covered by the remaining guarantee)]* from the date of the Operational Acceptance Certificate for the System,² and any demand for payment under it must be received by us at this office on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees, ICC Publication No. 458, except that subparagraph (ii) of Sub-article 20 (a) is hereby excluded.

[Signature(s)]

¹ The bank shall insert the amount(s) specified and denominated in the SCC for GCC Clauses 13.3.1 and 13.3.4 respectively, either in the currency(ies) of the Contract or a freely convertible currency acceptable to the Purchaser.

² In this sample form, the formulation of this paragraph reflects the usual SCC provisions for GCC Clause 13.3. However, if the SCC for GCC Clauses 13.3.1 and 13.3.4 varies from the usual provisions, the paragraph, and possibly the previous paragraph, need to be adjusted to precisely reflect the provisions specified in the SCC.

6.2 Advance Payment Security Form (Bank Guarantee)

[insert: Bank's Name, and Address of Issuing Branch or Office]

Beneficiary: *[insert: Name and Address of Purchaser]*

Date: *[insert: date]*

ADVANCE PAYMENT GUARANTEE No.: *[insert: Advance Payment Guarantee Number]*

We have been informed that on *[insert: date of award]* you awarded Contract No. *[insert: Contract number]* for *[insert: title and/or brief description of the Contract]* (hereinafter called "the Contract") to *[insert: complete name of Supplier]* (hereinafter called "the Supplier"). Furthermore, we understand that, according to the conditions of the Contract, an advance payment in the sum of *[insert: amount in numbers and words, for each currency of the advance payment]* is to be made to the Supplier against an advance payment guarantee.

At the request of the Supplier, we hereby irrevocably undertake to pay you any sum or sums not exceeding in total the amount of the advance payment referred to above, upon receipt by us of your first demand in writing declaring that the Supplier is in breach of its obligations under the Contract because the Supplier used the advance payment for purposes other than toward the proper execution of the Contract.

It is a condition for any claim and payment to be made under this guarantee that the advance payment referred to above must have been received by the Supplier on its account *[insert: number and domicile of the account]*.

For each payment after the advance payment, which you will make to the Supplier under this Contract, the maximum amount of this guarantee shall be reduced by the ninth part of such payment.¹ At the time at which the amount guaranteed becomes nil, this guarantee shall become null and void, whether the original is returned to us or not.

This guarantee is subject to the Uniform Rules for Demand Guarantees, ICC Publication No. 458.

[Signature(s)]

¹ *This sample formulation assumes an Advance Payment of 10% of the Contract Price excluding Recurrent Costs, and implementation of the main option proposed by this SBD in the SCC for GCC Clause 13.2.2 for gradually reducing the value of the Advance Payment Security. If the Advance Payment is other than 10%, or if the reduction in amount of the security follows a different approach, this paragraph would need to be adjusted and edited accordingly.*

7. INSTALLATION AND ACCEPTANCE CERTIFICATES

7.1 Installation Certificate

Date: [insert: **date**]

Loan/Credit Number: [insert: **loan or credit number from IFB**]

IFB: [insert: **title and number of IFB**]

Contract: [insert: **name and number of Contract**]

To: [insert: **name and address of Supplier**]

Dear Sir or Madam:

Pursuant to GCC Clause 26 (Installation of the System) of the Contract entered into between yourselves and the [insert: **name of Purchaser**] (hereinafter the “Purchaser”) dated [insert: **date of Contract**], relating to the [insert: **brief description of the Information System**], we hereby notify you that the System (or a Subsystem or major component thereof) was deemed to have been correctly installed on the date specified below.

1. Description of the System (or relevant Subsystem or major component: [insert: **description**]
2. Date of Installation: [insert: **date**]

Notwithstanding the above, you are required to complete the outstanding items listed in the attachment to this certificate as soon as practicable. This letter shall not relieve you of your obligation to achieve Operational Acceptance of the System in accordance with the Contract nor of your obligations during the Warranty Period.

For and on behalf of the Purchaser

Signed:

Date:

in the capacity of: [state: **“Project Manager”** or state **the title of a higher level authority in the Purchaser’s organization**]

7.2 Operational Acceptance Certificate

Date: [*insert: date*]

Loan/Credit Number: [*insert: loan or credit number from IFB*]

IFB: [*insert: title and number of IFB*]

Contract: [*insert: name of System or Subsystem and number of Contract*]

To: [*insert: name and address of Supplier*]

Dear Sir or Madam:

Pursuant to GCC Clause 27 (Commissioning and Operational Acceptance) of the Contract entered into between yourselves and the [*insert: name of Purchaser*] (hereinafter the “Purchaser”) dated [*insert: date of Contract*], relating to the [*insert: brief description of the Information System*], we hereby notify you the System (or the Subsystem or major component identified below) successfully completed the Operational Acceptance Tests specified in the Contract. In accordance with the terms of the Contract, the Purchaser hereby takes over the System (or the Subsystem or major component identified below), together with the responsibility for care and custody and the risk of loss thereof on the date mentioned below.

1. Description of the System (or Subsystem or major component): [*insert: description*]
2. Date of Operational Acceptance: [*insert: date*]

This letter shall not relieve you of your remaining performance obligations under the Contract nor of your obligations during the Warranty Period.

For and on behalf of the Purchaser

Signed:

Date:

in the capacity of: [*state: “Project Manager” or higher level authority in the Purchaser’s organization*]

8. CHANGE ORDER PROCEDURES AND FORMS

Date: [*insert: date*]

Loan/Credit Number: [*insert: loan or credit number from IFB*]

IFB: [*insert: title and number of IFB*]

Contract: [*insert: name or System or Subsystem and number of Contract*]

General

This section provides samples of procedures and forms for carrying out changes to the System during the performance of the Contract in accordance with GCC Clause 39 (Changes to the System) of the Contract.

Change Order Log

The Supplier shall keep an up-to-date Change Order Log to show the current status of Requests for Change and Change Orders authorized or pending. Changes shall be entered regularly in the Change Order Log to ensure that the log is kept up-to-date. The Supplier shall attach a copy of the current Change Order Log in the monthly progress report to be submitted to the Purchaser.

References to Changes

- (1) Request for Change Proposals (including Application for Change Proposals) shall be serially numbered CR-nnn.
- (2) Change Estimate Proposals shall be numbered CN-nnn.
- (3) Estimate Acceptances shall be numbered CA-nnn.
- (4) Change Proposals shall be numbered CP-nnn.
- (5) Change Orders shall be numbered CO-nnn.

On all forms, the numbering shall be determined by the original CR-nnn.

Annexes

- 8.1 Request for Change Proposal Form
- 8.2 Change Estimate Proposal Form
- 8.3 Estimate Acceptance Form
- 8.4 Change Proposal Form
- 8.5 Change Order Form
- 8.6 Application for Change Proposal Form

8.1 Request for Change Proposal Form

(Purchaser's Letterhead)

Date: [insert: *date*]

Loan/Credit Number: [insert: *loan or credit number from IFB*]

IFB: [insert: *title and number of IFB*]

Contract: [insert: *name of System or Subsystem or number of Contract*]

To: [insert: *name of Supplier and address*]

Attention: [insert: *name and title*]

Dear Sir or Madam:

With reference to the above-referenced Contract, you are requested to prepare and submit a Change Proposal for the Change noted below in accordance with the following instructions within [insert: *number*] days of the date of this letter.

1. Title of Change: [insert: *title*]
2. Request for Change No./Rev.: [insert: *number*]
3. Originator of Change: [select *Purchaser / Supplier (by Application for Change Proposal)*, and add: *name of originator*]
4. Brief Description of Change: [insert: *description*]
5. System (or Subsystem or major component affected by requested Change): [insert: *description*]
6. Technical documents and/or drawings for the request of Change:

Document or Drawing No.

Description

7. Detailed conditions or special requirements of the requested Change: *[insert: description]*

8. Procedures to be followed:
 - (a) Your Change Proposal will have to show what effect the requested Change will have on the Contract Price.
 - (b) Your Change Proposal shall explain the time it will take to complete the requested Change and the impact, if any, it will have on the date when Operational Acceptance of the entire System agreed in the Contract.
 - (c) If you believe implementation of the requested Change will have a negative impact on the quality, operability, or integrity of the System, please provide a detailed explanation, including other approaches that might achieve the same impact as the requested Change.
 - (d) You should also indicate what impact the Change will have on the number and mix of staff needed by the Supplier to perform the Contract.
 - (e) You shall not proceed with the execution of work related to the requested Change until we have accepted and confirmed the impact it will have on the Contract Price and the Implementation Schedule in writing.

9. As next step, please respond using the Change Estimate Proposal form, indicating how much it will cost you to prepare a concrete Change Proposal that will describe the proposed approach for implementing the Change, all its elements, and will also address the points in paragraph 8 above pursuant to GCC Clause 39.2.1. Your Change Estimate Proposal should contain a first approximation of the proposed approach, and implications for schedule and cost, of the Change.

For and on behalf of the Purchaser

Signed:

Date:

in the capacity of: *[state: "Project Manager" or higher level authority in the Purchaser's organization]*

8.2 Change Estimate Proposal Form

(Supplier's Letterhead)

Date: [insert: **date**]

Loan/Credit Number: [insert: **loan or credit number from IFB**]

IFB: [insert: **title and number of IFB**]

Contract: [insert: **name of System or Subsystem and number of Contract**]

To: [insert: **name of Purchaser and address**]

Attention: [insert: **name and title**]

Dear Sir or Madam:

With reference to your Request for Change Proposal, we are pleased to notify you of the approximate cost of preparing the below-referenced Change in accordance with GCC Clause 39.2.1 of the Contract. We acknowledge that your agreement to the cost of preparing the Change Proposal, in accordance with GCC Clause 39.2.2, is required before we proceed to prepare the actual Change Proposal including a detailed estimate of the cost of implementing the Change itself.

1. Title of Change: [insert: **title**]
2. Request for Change No./Rev.: [insert: **number**]
3. Brief Description of Change (including proposed implementation approach): [insert: **description**]
4. Schedule Impact of Change (initial estimate): [insert: **description**]
5. Initial Cost Estimate for Implementing the Change: [insert: **initial cost estimate**]
6. Cost for Preparation of Change Proposal: [insert: **cost in the currencies of the Contract**], as detailed below in the breakdown of prices, rates, and quantities.

For and on behalf of the Supplier

Signed:

Date:

in the capacity of: [state: ***“Supplier’s Representative” or other higher level authority in the Supplier’s organization***]

8.3 Estimate Acceptance Form

(Purchaser's Letterhead)

Date: [*insert: date*]

Loan/Credit Number: [*insert: loan or credit number from IFB*]

IFB: [*insert: title and number of IFB*]

Contract: [*insert: name of System or Subsystem and number of Contract*]

To: [*insert: name of Supplier and address*]

Attention: [*insert: name and title*]

Dear Sir or Madam:

We hereby accept your Change Estimate and agree that you should proceed with the preparation of a formal Change Proposal.

1. Title of Change: [*insert: title*]
2. Request for Change No./Rev.: [*insert: request number / revision*]
3. Change Estimate Proposal No./Rev.: [*insert: proposal number / revision*]
4. Estimate Acceptance No./Rev.: [*insert: estimate number / revision*]
5. Brief Description of Change: [*insert: description*]
6. Other Terms and Conditions:

In the event that we decide not to order the Change referenced above, you shall be entitled to compensation for the cost of preparing the Change Proposal up to the

amount estimated for this purpose in the Change Estimate Proposal, in accordance with GCC Clause 39 of the General Conditions of Contract.

For and on behalf of the Purchaser

Signed:

Date:

in the capacity of: [state: ***“Project Manager” or higher level authority in the Purchaser’s organization***]

8.4 Change Proposal Form

(Supplier's Letterhead)

Date: [insert: *date*]

Loan/Credit Number: [insert: *loan or credit number from IFB*]

IFB: [insert: *title and number of IFB*]

Contract: [insert: *name of System or Subsystem and number of Contract*]

To: [insert: *name of Purchaser and address*]

Attention: [insert: *name and title*]

Dear Sir or Madam:

In response to your Request for Change Proposal No. [insert: *number*], we hereby submit our proposal as follows:

1. Title of Change: [insert: *name*]
2. Change Proposal No./Rev.: [insert: *proposal number/revision*]
3. Originator of Change: [select: *Purchaser / Supplier*; and add: *name*]
4. Brief Description of Change: [insert: *description*]
5. Reasons for Change: [insert: *reason*]
6. The System Subsystem, major component, or equipment that will be affected by the requested Change: [insert: *description*]
7. Technical documents and/or drawings for the requested Change:

- | Document or Drawing No. | Description |
|-------------------------|---|
| 8. | Estimate of the increase/decrease to the Contract Price resulting from the proposed Change: [<i>insert: amount in currencies of Contract</i>], as detailed below in the breakdown of prices, rates, and quantities.
Total lump sum cost of the Change:

Cost to prepare this Change Proposal (i.e., the amount payable if the Change is not accepted, limited as provided by GCC Clause 39.2.6): |
| 9. | Additional Time for Achieving Operational Acceptance required due to the Change: [<i>insert: amount in days / weeks</i>] |
| 10. | Effect on the Functional Guarantees: [<i>insert: description</i>] |
| 11. | Effect on the other terms and conditions of the Contract: [<i>insert: description</i>] |
| 12. | Validity of this Proposal: for a period of [<i>insert: number</i>] days after receipt of this Proposal by the Purchaser |
| 13. | Procedures to be followed:
(a) You are requested to notify us of your acceptance, comments, or rejection of this detailed Change Proposal within [<i>insert: number</i>] days from your receipt of this Proposal.
(b) The amount of any increase and/or decrease shall be taken into account in the adjustment of the Contract Price. |

For and on behalf of the Supplier

Signed:

Date:

in the capacity of: [*state: "Supplier's Representative" or other higher level authority in the Supplier's organization*]

8.5 Change Order Form

(Purchaser's Letterhead)

Date: [insert: *date*]

Loan/Credit Number: [insert: *loan or credit number from IFB*]

IFB: [insert: *title and number of IFB*]

Contract: [insert: *name of System or Subsystem and number of Contract*]

To: [insert: *name of Supplier and address*]

Attention: [insert: *name and title*]

Dear Sir or Madam:

We hereby approve the Change Order for the work specified in Change Proposal No. [insert: *number*], and agree to adjust the Contract Price, Time for Completion, and/or other conditions of the Contract in accordance with GCC Clause 39 of the Contract.

1. Title of Change: [insert: *name*]
2. Request for Change No./Rev.: [insert: *request number / revision*]
3. Change Order No./Rev.: [insert: *order number / revision*]
4. Originator of Change: [select: *Purchaser / Supplier*; and add: *name*]
5. Authorized Price for the Change:

Ref. No.: [insert: *number*]

Date: [insert: *date*]

[insert: *amount in foreign currency A*] plus [insert: *amount in foreign currency B*] plus [insert: *amount in foreign currency C*] plus [insert: *amount in local currency*]

6. Adjustment of Time for Achieving Operational Acceptance: [insert: **amount and description of adjustment**]

7. Other effects, if any: [state: **“none”** or insert **description**]

For and on behalf of the Purchaser

Signed:

Date:

in the capacity of: [state: **“Project Manager”** or **higher level authority in the Purchaser’s organization**]

For and on behalf of the Supplier

Signed:

Date:

in the capacity of: [state **“Supplier’s Representative”** or **higher level authority in the Supplier’s organization**]

8.6 Application for Change Proposal Form

(Supplier's Letterhead)

Date: [insert: *date*]

Loan/Credit Number: [insert: *loan or credit number from IFB*]

IFB: [insert: *title and number of IFB*]

Contract: [insert: *name of System or Subsystem and number of Contract*]

To: [insert: *name of Purchaser and address*]

Attention: [insert: *name and title*]

Dear Sir or Madam:

We hereby propose that the below-mentioned work be treated as a Change to the System.

1. Title of Change: [insert: *name*]
2. Application for Change Proposal No./Rev.: [insert: *number / revision*] dated: [insert: *date*]
3. Brief Description of Change: [insert: *description*]
4. Reasons for Change: [insert: *description*]
5. Order of Magnitude Estimation: [insert: *amount in currencies of the Contract*]
6. Schedule Impact of Change: [insert: *description*]
7. Effect on Functional Guarantees, if any: [insert: *description*]

8. Appendix: [insert: **titles** (if any); otherwise state “**none**”]

For and on behalf of the Supplier

Signed:

Date:

in the capacity of: [state: “**Supplier’s Representative**” or **higher level authority in the Supplier’s organization**]