



**SALEM CITY MUNICIPAL CORPORATION
SALEM**

BID DOCUMENT

**EMPANELLING AGENCIES FOR CONDUCTING THIRD PARTY INSPECTION OF
PIPES AND SPECIALS, MECHANICAL AND ELECTRICAL EQUIPMENTS AND
INSTRUMENTS TO ENSURE QUALITY ASSURANCE FOR DEDICATED WATER
SUPPLY SCHEME WORKS IN SALEM CITY MUNICIPAL CORPORATION.**

CONTRACT NO: 3057/2004/SS2

VOLUME – I

**Notice Inviting Tender
Instructions to Bidders
Conditions of Contract**

**COMMISSIONER,
SALEM CITY MUNICIPAL CORPORATION.**

**Telephone: 0427-2212844
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E-mail : commr.salem@tn.gov.in**

NAME OF WORK	Empanelling Agencies for conducting third party inspection of Pipes and specials, Mechanical and Electrical Equipments and Instruments to ensure quality assurance for Dedicated Water Supply Scheme works in Salem City Municipal Corporation.
CONTRACT NO	3057/2004/SS2
PERIOD OF SALE OF BIDDING DOCUMENT	FROM 21.09.2010 TO 06.10.2010 on all working days from 10.00 AM to 5.45 PM
DATE OF PRE BID MEETING	29.09.2010 AT 11.00 A.M. at Salem City Municipal Corporation office, Salem –1.
LAST DATE AND TIME FOR RECEIPT OF BIDS	DATE 07.10.2010 TIME 3.00 PM
DATE AND TIME OF OPENING OF TECHNICAL BIDS	DATE 07.10.2010 TIME 3.30 PM
EMPANELLEMENT PERIOD	24 MONTHS
OFFICER INVITING BIDS	COMMISSIONER, SALEM CITY MUNICIPAL CORPORATION, SALEM – 1.
PLACE OF RECEIPTS AND OPENING OF BIDS	SALEM CITY MUNICIPAL CORPORATION, SALEM – 1.
ADDRESS FOR PURCHASE OF BID DOCUMENT	SALEM CITY MUNICIPAL CORPORATION, SALEM – 1.

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1. NOTICE INVITING TENDERS (NIT)

SALEM CITY MUNICIPAL CORPORATION

SALEM

NOTICE INVITING TENDER

Sealed Bids are invited from the eligible bidders for the following work. Bidding will be conducted through National Competitive Bidding procedures on 07.10.2010 under two cover system conforming to the Tamil Nadu Transparency in Tenders Act, 1998 and Rules 2000.

Sl.No.	Name of work and Contract No.	Bid security (Rs.)	Sale Period	Due Date & Time for Opening of Bids	Contract Period
1.	Empanelling Agencies for conducting third party inspection of Pipes and Specials, Mechanical, Electrical and Instruments to ensure quality assurance for Dedicated Water Supply Scheme works in Salem City Municipal Corporation.	1,26,500/-	21.09.2010 to 06.10.2010	07.10.2010 at 3.30 pm.	24 months
2.i	Date of Pre-Bid meeting	29.09.2010 at 11.00 a.m. at Salem City Municipal Corporation office, Salem.			
2.ii	Due date for submission of Bids	On or before 3.00 pm. on 06.10.2010			
3.i	Availability of Bid document in person	From 21.09.2010 at Salem City Municipal Corporation office, Salem.			
3.ii	Through website	From 21.09.2010 1) www.tenders.tn.gov.in 2) www.salemcorporation.gov.in			
4.	Cost of Bid document	Rs.5,200/- per set payable in the form of cash or DD / Pay order drawn from a Nationalized / Schedules Bank in favour of the Commissioner, Salem City Municipal Corporation. The document will also be sent by surface mail on an extra advance payment of Rs.2000/- per set.			
5.	Address for information and clarifications and for receipt of bids	Office of the Commissioner, Salem City Municipal Corporation, Salem.			

**COMMISSIONER,
SALEM CITY MUNICIPAL CORPORATION.**

SECTION 2: INSTRUCTIONS TO BIDDERS
(ITB)

2. Instructions to Bidders

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A. General

1. Scope of Bid

- 1.1 The Salem City Municipal Corporation is presently carrying out various infrastructure works through financial assistance from various financial institutions and also through its own funds. In order to maintain the quality of the work the Corporation intends to check the quality of materials being supplied by the contractors who are carrying out works and also check the materials being procured directly by the Corporation, through external third party agencies. For this purpose now the Corporation invites bids for **“EMPANELLING AGENCIES FOR CONDUCTING THIRD PARTY INSPECTION OF PIPES AND SPECIALS, MECHANICAL AND ELECTRICAL EQUIPMENTS AND INSTRUMENTS TO ENSURE QUALITY ASSURANCE FOR DEDICATED WATER SUPPLY SCHEME WORKS IN SALEM CITY MUNICIPAL CORPORATION.”**
- 1.2 The successful bidder will be expected to carry out inspections on the quality of materials and equipment supplied by the manufacturers confirming to the specifications/IS stipulated in the bid document.
- 1.3 Throughout these Bidding documents, the terms bid and Tender and their derivatives (bidder/Tenderer/third party inspection agency, bid/tender, bidding/Tendering, etc) are synonymous and day means calendar day. Singular also means plural.

2. Source of Funds

- 2.1 The Corporation is carrying out major infrastructure projects under various financial assistances and from its own fund. The payment towards this work will be met out under the respective funding.

3. Eligible Bidders

- 3.1 This Invitation for Bids is open to all eligible bidders. Payments will be made only in Indian Rupees.
- 3.2 All bidders shall provide in Section 3, Forms of Bid and all Qualification Information required under this contract.
- 3.3 Bidders shall not be under a declaration of ineligibility for corrupt and fraudulent practices issued in accordance with sub-clause 32.1.

4. Qualification of the Bidder

- 4.1 All bidders shall provide in Section 3, Forms of Bid and Qualification Information, a preliminary description of the proposed method of inspection.
- 4.2 Pre-qualification was not undertaken for this bid.

4.3 All bidders shall include the following information and documents with their bids in Section 3:

- (a) copies of original documents defining the constitution or legal status, place of registration, and principal place of business; written power of attorney of the signatory of the Bid to commit the Bidder;
- (b) total monetary value of inspection works performed for each of the qualifying period; (Both inspection charges and the volume of materials inspected)
- (c) experience in third party inspections of a similar nature and details of the third party inspections completed successfully during the qualifying period, and details of third party inspections under way or contractually committed; and clients who may be contacted for further information on those contracts;
- (d) qualifications and experience of key site management and technical personnel proposed for the Contract;
- (f) reports on the financial standing of the Bidder, such as profit and loss statements and auditor's reports for the past five years;
- (g) authority to seek references from the Bidder's bankers;
- (h) information regarding any litigation or arbitration resulting from contracts executed by the Bidder in the last eight years or currently under execution. The information shall include the names of the parties concerned, the disputed amount, cause of litigation, and matter in dispute;
- (i) the proposed methodology and program of third party inspections to be carried out
- (k) all the credentials furnished by the bidder towards satisfying the qualification criteria shall be duly certified by a "Notary Public".
- (l) the credentials to meet the qualification criteria shall be from the client /Employer. No Self-certification will be accepted.
- (m) the credentials to meet the qualification criteria for SI.No.(2) shall be from the client/employer. No self certification will be accepted.

4.4 A. To qualify for award of the contract, each bidder in its name should have performed / executed the following during the period 01.04.2005 to 31.03.2010.

S. No	Qualification Criteria	Minimum required / eligible Qualification Criteria
1.	Must have achieved the annual financial turnover in any one financial year during 2005-06 to 2009-10 not less than the amount given (Rs. in lakh)	48.00
2.	Satisfactorily completed third party inspections of Materials, Pumps and accessories and Electrical Equipments, the value of which should not be less than the amount given (Rs. in lakhs) in any one year i) Pipes and Specials ii) Pumps and accessories iii) Electrical Equipments	2775.00 159.50 226.25

For Sl. No. (2) above the experience of the bidders from 01.04.2005 to as on bid submission will be considered for evaluation.

- **Consortium bids are not acceptable**

The bids of the firms whose previous performance is found to be poor / not satisfactory, will not be taken up for evaluation

Financial turnover and cost of completed works of previous years shall be given weightage of 5% per year based on rupee value to bring them to 2010-2011 price level and that will be considered for the qualifying criteria.

4.5 Even though the bidders meet the above qualifying criteria, they are subject to be disqualified if they have:

- made misleading or false representations in the forms, statements and attachments submitted in proof of the qualification requirements; and/or
- record of poor performance such as abandoning the works, not properly completing the contract, inordinate delays in completion, litigation history, or financial failures etc.; and/or participated in the previous bidding for the same work and had quoted unreasonably high bid prices and could not furnish rational justification to the employer.

5. One Bid per Bidder

5.1 Each bidder shall submit only one bid. A bidder who submits or participates in more than one Bid will cause all the proposals with the Bidder's participation to be disqualified.

6. Cost of Bidding

6.1 The bidder shall bear all costs associated with the preparation and submission of his Bid, and the Employer will in no case be responsible and liable for those costs.

B. Bidding Documents

7. Content of Bidding Documents

7.1 The set of bidding documents comprises the documents listed in the table below and addenda issued in accordance with Clause 9:

Section:	1.	Invitation for Bids
	2.	Instructions to Bidders
	3.	Forms of Bid
	4.	Conditions of Contract
	5.	Scope of work
	6.	Forms of Securities
	7.	Price Schedule

7.2 Of the three sets of the bidding documents supplied, two sets should be completed and returned with the bid.

8. Clarification of Bidding Documents

8.1 A prospective bidder requiring any clarification of the bidding documents may notify the Employer in writing or by mail/ e-mail/telex/facsimile at the Employer's address indicated in the invitation to bid. The Employer will respond to any request for clarification which he received earlier than 7 days prior to the deadline for submission of bids. Copies of the Employer's response will be forwarded to all purchasers of the bidding documents, including a description of the enquiry but without identifying its source.

8.2 Pre-bid meeting

8.2.1 The bidder or his official representative is invited to attend a pre-bid meeting which will take place at **Office of the Commissioner, Salem City Municipal Corporation, Salem on 29.09.2010 at 11.00 AM.**

8.2.2 The purpose of the meeting will be to clarify issues and to answer questions on any matter that may be raised at that stage.

8.2.3 The bidder is requested to submit any questions in writing or by cable to reach the Employer not later than one week before the meeting.

8.2.4 Minutes of the meeting, including the text of the questions rose (without identifying the source of enquiry) and the responses given will be transmitted without delay to all purchasers of the bidding documents. Any modification of the bidding documents listed in Sub-Clause 7.1 which may become necessary as a result of the pre-bid meeting shall be made by the Employer exclusively through the issue of an Addendum pursuant to Clause 9 and not through the minutes of the pre-bid meeting.

8.2.5 Non-attendance at the pre-bid meeting will not be a cause for disqualification of a bidder.

9. Amendment of Bidding Documents

- 9.1** Before the deadline for submission of bids, the Employer may modify the bidding documents by issuing addenda.
- 9.2** Any addendum thus issued shall be part of the bidding documents and shall be communicated in writing/e-mail/facsimile to all the purchasers of the bidding documents. Prospective bidders shall acknowledge receipt of each addendum by mail/ e-mail/telex/facsimile to the Employer. Addendum and clarifications to pre bid queries will also be uploaded in the website. Bidders who bid after downloading the documents are responsible for downloading the addendum before bidding.
- 9.3** To give prospective bidders reasonable time in which to take an addendum into account in preparing their bids, the Employer shall extend as necessary the deadline for submission of bids, in accordance with Sub-Clause 19.2 below.

C. Preparation of Bids

10. Language of the Bid

- 10.1** All documents relating to the bid shall be in the English language.

11. Documents comprising the Bid

- 11.1** The bid submitted by the bidder shall comprise the following:

Part - A - First Cover – Technical Bids

- (a) Bid Security.
- (b) Technical Bid;
- (c) Qualification Information Form and Documents;
- (d) The Bid (in the format indicated in Section 3)

Part - B - Second Cover – Financial Bid

- (e) Price Bid

and any other materials required to be completed and submitted by bidders in accordance with these instructions. The documents listed under Sections 3 and 7 of Sub-Clause 7.1 shall be filled in without exception.

The Bids must be accompanied with the prescribed Bid security amount in a separate envelope kept in the Technical bid envelope. The first cover with Bid Security cover and Technical Bid cover shall be written on the cover as "Technical Bid" and "Bid Security". The second cover with the Financial Bid shall be written on the cover as "Financial Bid".

- 11.2** Bidders bidding for this contract together with other contracts stated in the IFB/NIT to form a package will so indicate in the bid together with any discounts offered for the award of more than one contract.

12. Bid Prices

- 12.1 The contract shall be for the whole works as described in Sub-Clause 1.1, based on the priced Schedule submitted by the Bidder.
- 12.2 The bidder shall fill in inspection charges (both in figures and words as % of Ex-factory cost of materials to be inspected) inclusive of all taxes and duties including Service Tax. Corrections, if any, shall be made by crossing out, initialing, dating and rewriting.
- 12.3 All duties, taxes, and other levies payable by the contractor under the contract, or for any other cause shall be included in the price schedule of inspection charges submitted by the Bidder. Any statutory variation in duties /taxes, which takes effect from a date subsequent to the due date for receipt of tender, shall be to Salem City Municipal Corporation's Account.
- 12.4 Fixed price and Price adjustment not contemplated in this contract.

13. Currencies of Bid and Payment

- 13.1 The inspection charges payment shall be entirely in Indian Rupees.

14. Bid Validity

- 14.1 Bids shall remain valid for a period not less than (120 days) **one hundred and twenty days** after the deadline date for bid submission specified in Clause 19. A bid valid for a shorter period shall be rejected by the Employer as non-responsive.
- 14.2 In exceptional circumstances, prior to expiry of the original time limit, the Employer may request that the bidders may extend the period of validity for a specified additional period. The request and the bidders' responses shall be made in writing or by cable. A bidder may refuse the request without forfeiting his bid security. bidder agreeing to the request will not be required or permitted to modify his bid, but will be required to extend the validity of his bid security for a period of the extension, and in compliance with Clause 15 in all respects.

15. Bid Security

- 15.1 The Bidder shall furnish, as part of his Bid, a Bid security in the amount as shown in column 3 of the table of NIT for this particular work. This bid security is to be furnished in the form of
- Bank Draft / Pay order drawn on any Nationalised / Scheduled Bank in favour of the **Commissioner, Salem City Municipal Corporation**, payable at Salem;
 - The Bank guarantee towards Bid Security will not be accepted.
- 15.2 Any bid not accompanied by an acceptable Bid Security and not secured as indicated in Sub-Clause 15.1 above shall be summarily rejected by the Employer.

- 15.3** The Bid Security of unsuccessful bidders will be returned as promptly as possible upon the award of contract and on written request from the unsuccessful bidder. The bid security of the bidder who has refused to extend the bid validity as provided in clause 14.2 shall be refunded after the initial bid validity based on written request from the bidder. Employer shall pay no interest on the bid security.
- 15.4** The Bid Security of the successful bidder will be discharged when the bidder has signed the Agreement and furnished the required Performance Security.
- 15.5** The Bid Security may be forfeited
- (a) if the Bidder withdraws the Bid after opening of technical Bid during the period of Bid validity;
 - (b) if the Bidder does not accept the correction of the Bid Price, pursuant to Clause 26; or
 - (c) in the case of a successful Bidder, if the Bidder fails within the specified time limit to
 - (i) sign the Agreement; or
 - (ii) furnish the required Performance Security.

16. Alternative Proposals by Bidders

- 16.1** Alternative proposal will not be considered.

17. Format and Signing of Bid

- 17.1** The Bidder shall prepare one original and one copy of the documents comprising the bid as described in Clause 11 of these *Instructions to Bidders*, bound with the volume containing the Form of Bid, and clearly marked "**ORIGINAL**" and "**COPY**" as appropriate. In the event of discrepancy between them, the original shall prevail.
- 17.2** The original and copy of the Bid 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, pursuant to Sub-Clauses 4.3. All other pages of the bid and where any entries or amendments have been made shall be initialed by the person or persons signing the bid.
- 17.3** The Bid shall contain no alterations or additions, except those to comply with instructions issued by the Employer, or as necessary to correct errors made by the bidder, in which case such corrections shall be initialed by the person or persons signing the bid.
- 17.4** Employer will appreciate submission of offer based on the terms and conditions in the enclosed GCC, SCC, ITB, Scope of Work, and Technical Specification etc. to avoid wastage of time and money in seeking clarifications on technical/ commercial aspect of the offer.

- 17.5** Deleted

D. Submission of Bids

18. Sealing and Marking of Bids

18.1 The bid shall be submitted in two (2) parts viz. **PART – A and PART - B**. Each part shall be placed in an independent sealed envelope. Each part shall be labeled as follows.

PART – A : TECHNICAL BID ENVELOPE

Contract No. : 3057/2004/SS2

NAME OF WORK : Empanelling Agencies for conducting third party inspection of Pipes and specials, Mechanical and Electrical Equipments and Instruments to ensure quality assurance for Dedicated Water Supply Scheme works in Salem City Municipal Corporation.

Due date/time : 07.10.2010 @ 3.00 PM.

PART - B : PRICE BID ENVELOPE

Contract No. : 3057/2004/SS2

NAME OF WORK : Empanelling Agencies for conducting third party inspection of Pipes and specials, Mechanical and Electrical Equipments and Instruments to ensure quality assurance for Dedicated Water Supply Scheme works in Salem City Municipal Corporation.

18.2 The contents of each of the two (2) envelopes shall be as described in the subsequent clauses. For all further references, these envelopes will be referred to briefly as:

- Technical bid Envelope
- Price bid Envelope
- The envelope containing Part A and the envelope containing Part B shall be placed inside an outer envelope and shall be labeled as follows:

Bid for: Empanelling Agencies for conducting third party inspection of Pipes and specials, Mechanical and Electrical Equipments and Instruments to ensure quality assurance for Dedicated Water Supply Scheme works in Salem City Municipal Corporation.

This envelope contains two (2) independent sealed envelopes as follows:

PART - A : Technical Bid Envelope

PART - B : Price Bid Envelope

Contract No. : 3057/2004/SS2

Due date & time:07.10.2010 @ 3.00 PM.

18.3 The envelope shall be addressed to

**The Commissioner,
Salem City Municipal Corporation,
Salem- 600 001.**

- 18.4** Each envelope shall carry the name and address of the Bidder prominently. The Technical Bid Envelope shall contain the following in the sequence indicated below. The technical bid shall be submitted in two copies.
- i. Covering letter
 - ii. Performance Certificate obtained from the clients as per Qualification Information
 - iii. The Bid Security
 - iv. Letter of Tender / Contractor's Bid with full signature of the Authorized signatory and Seal
 - v. Declaration by the Bidder that his Bid is without any technical and commercial deviations in the format of the letter enclosed with the Bid.
 - vi. Certified Power of Attorney authorizing a representative or representatives of the Firm to sign the Bid and all subsequent communication
 - vii. Documentary evidence of unambiguous fulfillment of eligibility criteria for Bidding
 - viii. Latest Income Tax Clearance Certificate and Sales Tax Clearance Certificate.
 - ix. Bid document signed by the authorized signatory.
 - x. Full technical description of the items and services proposed by the Bidder.
 - xi. Details of Equipment proposed for the execution of the works and makes.
 - xii. Details of manpower proposed and qualification and experience of the personnel.
 - xiii. Confirmation of performance guarantee and Defects Liability Period in accordance with Clauses 9 & 15 of the Conditions of Contract.
 - xiv. Confirmation of the commercial terms and conditions. **There shall be no reference to the price.**
 - xv. List of concurrent commitments including a schedule of contracts under execution including values, percentage of works completed and the schedule date of completion of the work.
 - xvi. Any other technical details

- 18.5** The "Technical Bid Envelope" shall NOT contain the following:
- i. Schedule of Prices of the Bid Document constituting the Lump Sum Bid Price.
 - ii. Any indication either direct or indirect or implicit or explicit or implied regarding the Bid Price or its break up details or any other related price indication etc. shall be a cause for outright disqualification of the entire Bid.
- 18.6** The envelope labeled, as "Price Bid Envelope" shall contain the following in the sequence indicated below. This shall be submitted as two copies – 1 original and 1 copy.
- i. Covering letter
 - ii. The Bid Price for the work with each page signed, dated and stamped with the seal of the Firm.
 - iii. Apart from the Schedule of Prices and Annexure duly filled in, Bidders shall not enclose any other documents or statements that influence the price. In such an event the Corporation shall summarily disqualify the Bidder and reject the Bid.
- 18.7** The Bidder shall seal the original and copy of the Bid in separate envelopes, duly marking the envelopes as "**ORIGINAL**" and "**COPY**". These envelopes (called as inner envelopes) shall then be put inside one outer envelope.
- 18.8** The **inner and outer** envelopes shall
- (a) be addressed to the Employer at the following address:
**The commissioner,
Salem City Municipal Corporation,
Salem- 600 001.**
 - (b) Bear the following identification:
 - Bid for "Empanelling Agencies for conducting third party inspection of Pipes and specials, Mechanical and Electrical Equipments and Instruments to ensure quality assurance for Dedicated Water Supply Scheme works in Salem City Municipal Corporation."
 - Bid Reference No. 3057/2004/SS2
 - Do not open before[time and date for bid opening, as per Clause 19]
- 18.9** In addition to the identification required in Sub-Clause 18.2, the inner envelopes shall indicate the name and address of the bidder to enable the bid to be returned unopened in case it is declared late, pursuant to Clause 20.

18.10 If the outer envelope is not sealed and marked as above, the Employer will assume no responsibility for the misplacement or premature opening of the bid.

19. Deadline for Submission of the Bids

19.1 Bids must be received by the Employer at the address specified above not later than **3.00 PM** on **07.10.2010**. In the event of the specified date for the submission of bids declared a holiday for the Employer, the Bids will be received upto the appointed time on the next working day.

19.2 The Employer may extend the deadline for submission of bids by issuing an amendment in accordance with Clause 9, in which case all rights and obligations of the Employer and the bidders previously subject to the original deadline will then be subject to the new deadline.

20. Late Bids

20.1 Any Bid received by the Employer after the deadline prescribed in Clause 19 will be returned unopened to the bidder. Any Bid submitted in person after 3.00 PM. on the due date will not be accepted. Similarly, any bid received by post after 3.00 PM. on the due date will not be accepted and will be returned unopened to the bidder. Hence, the bidders are requested to submit their bid well in advance i.e., before 3.00 PM. as per the Office Clock on the dead line / extended deadline date and time of bid submission. The bidders can submit the bids on any day during the bid submission period.

21. Modification and Withdrawal of Bids

21.1 Bidders may modify or withdraw their bids by giving notice in writing before the deadline prescribed in Clause 19.

21.2 Each Bidder's modification or withdrawal notice shall be prepared, sealed, marked, and delivered in accordance with Clause 17 & 18, with the outer and inner envelopes additionally marked "**MODIFICATION**" or "**WITHDRAWAL**", as appropriate.

21.3 No bid may be modified after the deadline for submission of Bids.

21.4 Withdrawal or modification of a Bid between the deadline for submission of bids and the expiration of the original period of bid validity specified in Clause 14.1 above or as extended pursuant to Clause 14.2 may result in the forfeiture of the Bid security pursuant to Clause 15.

21.5 Bidders may only offer discounts to, or otherwise modify the prices of their Bids by submitting Bid modifications in accordance with this clause, or included in the original Bid submission.

E. Bid Opening and Evaluation

22. Bid Opening

- 22.1** The Employer will open the **First cover for** all the Bids received (except those received late) in the presence of the Bidders or their representatives who choose to attend at **3.30 PM** on the date and the place specified in Clause 19. In the event of the specified date of Bid opening being declared a holiday for the Employer, the Bids will be opened at the appointed time and location on the next working day.
- 22.2** Envelopes marked "**WITHDRAWAL**" shall be opened and read out first. Bids for which an acceptable notice of withdrawal has been submitted pursuant to Clause 21 shall not be opened. Subsequently details of all envelopes marked "Modification" shall be read out in appropriate.
- 22.3** The Bidders' names, Bid modifications and withdrawals, the presence or absence of Bid security, and such other details as the Employer may consider appropriate, will be announced by the Employer at the Technical Bid opening. No bid shall be rejected at bid opening except for the late bids pursuant to Clause 20. Bids [and modifications] sent pursuant to Clause 21 that are not opened and read out at bid opening will not be considered for further evaluation regardless of the circumstances. Late and withdrawn bids will be returned un-opened to bidders. The Price bid envelope will not be opened on the same day but on another day in the presence of the qualified Bidders or their authorised representatives. The date and time of opening the Price bid envelope will be advised to the qualified Bidder in writing.
- 22.4** The Employer shall prepare minutes of the Bid opening, including the information disclosed to those present in accordance with Sub-Clause 22.3.
- 22.5** Two cover bidding procedure will be adopted and will be processed as detailed below:

Bids (in two covers) must be delivered to the address below at or before **3.00 PM** of office time on 07.10.2010. The first cover with Bid Security cover and Technical Bid cover shall be written on the cover as "Technical Bid" and "Bid Security" without any reference to the price. The second cover with the Financial Bid shall be written on the cover as "Financial Bid" will consist of Price Bid only.

TECHNICAL BID OPENING

First cover will be opened in the presence of bidders' representatives who choose to attend at the address given below at **3.30 PM**. office time on 07.10.2010.

PRICE BID OPENING

After technical evaluation of the Bids, the employer will satisfactorily open the second cover (price Bid) of the bidders who meet the minimum acceptable qualification criteria and who has submitted a substantially responsive bid. Only the price bids of those bidders whose bids are found substantially responsive and acceptable will be opened on the date and time to be intimated later and the price bids will be evaluated. Bidders may be required to attend price bid opening at a short notice of 24 hours.

23. Process to be Confidential

23.1 Information relating to the examination, clarification, evaluation, and comparison of Bids and recommendations for the award of a contract shall not be disclosed to Bidders or any other persons not officially concerned with such process until the award to the successful Bidder has been announced. Any effort by a Bidder to influence the Employer's processing of Bids or award decisions may result in the rejection of his Bid.

24. Clarification of Bids

24.1 To assist in the examination, evaluation, and comparison of Bids, the Employer may, at his discretion, ask any Bidder for clarification of his Bid, including breakdowns of the unit rates. The request for clarification and the response shall be in writing or by cable, but no change in the price or substance of the Bid shall be sought, offered, or permitted except as required to confirm the correction of arithmetic errors discovered by the Employer in the evaluation of the Bids in accordance with Clause 26.

24.2 Subject to sub-clause 24.1, no Bidder shall contact the Employer on any matter relating to its bid from the time of the bid opening to the time the contract is awarded. If the Bidder wishes to bring additional information to the notice of the Employer, it should do so in writing.

24.3 Any effort by the Bidder to influence the Employer in the Employer's bid evaluation, bid comparison or contract award decisions may result in the rejection of the Bidders' bid.

25. Examination of Bids and Determination of Responsiveness

25.1 Prior to the detailed evaluation of Bids, the Employer will determine whether each Bid (a) meets the eligibility criteria defined in Clause 3; (b) has been properly signed; (c) is accompanied by the required securities and; (d) is substantially responsive to the requirements of the Bidding documents.

25.2 A substantially responsive Bid is one which conforms to all the terms, conditions, and specifications of the Bidding documents, without material deviation or reservation. A material deviation or reservation is one (a) which affects in any substantial way the scope, quality, or performance of the Works; (b) which limits in any substantial way, inconsistent with the Bidding documents, the Employer's rights or the Bidder's obligations under the Contract; or (c) whose rectification would affect unfairly the competitive position of other Bidders presenting substantially responsive Bids.

25.3 If a Bid is not substantially responsive, it will be rejected by the Employer, and may not subsequently be made responsive by correction or withdrawal of the non-conforming deviation or reservation.

26. Correction of Errors

26.1 Bids determined to be substantially responsive will be checked by the Employer for any arithmetic errors. Errors will be corrected by the Employer as follows:

- (a) Where there is a discrepancy between the inspection charges percentage in figures and in words, the lower of the two will govern;

26.2 The inspection charges percentage stated in the Bid will be adjusted by the Employer in accordance with the above procedure for the correction of errors and, with the concurrence of the Bidder, shall be considered as binding upon the Bidder. If the Bidder does not accept the corrected inspection charges percentage, the Bid will be rejected, and the Bid security may be forfeited in accordance with Sub-Clause 15.5 (b).

27 Evaluation and Comparison of Bids

27.1 Employer will evaluate and compare only the Bids determined to be substantially responsive in accordance with Clause 26 and as per Tamil Nadu Transparency in Tenders Act 1998 and Rules 2000.

27.2 While evaluating the Bids, the Employer will determine for each Bid the evaluated inspection charges percentage by adjusting the inspection charges percentage as follows:

- (a) making any correction for errors pursuant to Clause 26; or
- (b) making an appropriate adjustments for any other acceptable variations, deviations; and
- (c) making appropriate adjustments to reflect discounts or other price modifications offered in accordance with Sub Clause 21.5.

27.3 Employer reserves the right to accept or reject any variation, deviation, or alternative offer. Variations, deviations, and alternative offers and other factors which are in excess of the requirements of the Bidding documents or otherwise result in unsolicited benefits for the Employer shall not be taken into account in Bid evaluation.

F. Award of Contract

28 Award Criteria

28.1 Subject to Clause 29, the Employer will determine the lowest evaluated inspection charges in percentage quoted from the inspection charges in percentage quoted by the substantially responsive bidders and ask for the willingness for acceptance of the lowest evaluated inspection charges in percentage from all the responsive bidders. Bidders who have participated and found responsive to the technical conditions will be requested for acceptance of the lowest percentage rate and a panel of all the bidders who have agreed for the lowest approved percentage rates will be prepared on strict ascending order arrived based on their ranking in the price bid evaluation. In case the same percentage is quoted by more than one bidder, the alphabetic order of the name of the bidder will be taken for enlisting.

28.2 The Employer will then issue orders for inspection to all the agencies in the panel in rotational basis for carrying work third Party Inspection for Corporation.

29. Employer's Right to accept any Bid and to reject any or all Bids

29.1 Notwithstanding Clause 28, the Employer reserves the right to accept or reject any Bid, and to cancel the Bidding process and reject all Bids, at any time prior to finalisation of this bid, without thereby incurring any liability to the affected Bidder or Bidders or any obligation to inform the affected Bidder or Bidders of the grounds for the Employer's action.

30. Notification of Award and Signing of Agreement

30.1 The Bidders who have been empanelled will be awarded inspection works and the successful Bidders shall pay the performance security in the form specified, the Employer will issue an unfilled document to the bidder who has to arrange for affixing the special adhesive stamp for a value not less than Rs.20/- and produce it back to the Employer. The Employer will then prepare complete set of document in which the Employer and bidders will sign. This exercise of signing the agreement should be completed within 10 days from the date of receipt of the performance security from the bidder.

31. Performance Security

31.1 Within 15 days of receipt of the Letter of Acceptance, the successful Bidders shall deliver to the Employer a Performance Security in any of the forms given below for an amount to be calculated as per Clause 31.4.

- 31.2**
- i) an irrevocable bank guarantee in the form given in Forms of Securities
 - ii) In the shape of NSC/NSS/KVP/Post Office Time Deposits valid for the required Contract period and pledged in favour of the Commissioner, Salem City Municipal Corporation and shall have the necessary transfer endorsement of the Post Office.

- iii) Fixed Deposit for the required period from Nationalized/Scheduled Bank/TNSC Bank in favour of Commissioner, Salem City Municipal Corporation. Certified cheque / Bank Draft in favour of the Commissioner, Salem City Municipal Corporation payable at Salem.

31.3 Failure of the successful Bidder to comply with the requirements of Sub-Clause 31.1 shall constitute sufficient grounds for cancellation and will not be empanelled and liable for forfeiture of the Bid Security.

31.4 The value of performance security to be remitted shall be 5% of the order value and shall be valid up to 6 months beyond the contract period.

32. Corrupt or Fraudulent Practices

32.1 The Employer requires that Bidders observe the highest standard of ethics during the evaluation and execution of such contracts. In pursuance of this policy, the Employer:

(a) defines, for the purposes of this provision, the terms set forth below as follows :

(i) "corrupt practice" means the offering, giving, receiving or soliciting of any thing of value to influence the action of a public official in the evaluation process or in contract execution; and

(ii) "fraudulent practice" means a misrepresentation of facts in order to influence the evaluation process or the execution of a contract to the detriment of the Employer and includes collusive practice among Bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the Employer of the benefits of free and open competition.

(b) will reject a proposal for award if it determines that the Bidder recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question;

(c) will declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded a contract if it at any time determines that the firm has engaged in corrupt or fraudulent practices in competing for, or in executing a contract.

32.2 Furthermore, Bidders shall be aware of the provision stated in clause 16 of the Conditions of Contract.

3. FORMS OF BID AND QUALIFICATION INFORMATION

Table of Forms:

- **CONTRACTOR'S BID**
- **QUALIFICATION INFORMATION**
- **NOTICE TO PROCEED WITH THE WORK**
- **AGREEMENT FORM**

Contractor's Bid

Description of the Works: Empanelling Agencies for conducting third party inspection of Pipes and specials, Mechanical and Electrical Equipments and Instruments to ensure quality assurance for Dedicated Water Supply Scheme works in Salem City Municipal Corporation.

To Address : The Commissioner,
Salem City Municipal Corporation, Salem – 1.

GENTLEMEN,

After examining/reviewing the Bidding Documents for TPIA, General and Special Conditions of Contract, Scope of work and Price schedule, etc. the receipt of which is hereby duly acknowledged, We offer to carry out the whole of the Job described under this bid in accordance with the Conditions of Contract accompanying this Bid at the Contract Price stated in the Financial Bid.

We confirm that this bid is valid for a period of 120 (One Hundred and Twenty Days) from the date of opening of Techno Commercial Bid, and it shall remain binding upon us and may be accepted by any time before the expiration of that period.

If our bid is accepted, we will provide the performance guarantee equal to 5% (Five percent) of the Contract Price for every work entrusted under this contract, for the due performance with in fifteen days of such award.

Until a final Contract is prepared and executed, the bid together with your written acceptance thereof in your notification of award shall constitute a binding Contract between us.

We understand that Bid Document is not exhaustive and any action and activity not mentioned in Bid Documents but may be inferred to be included to meet the intend of the Bid Documents shall be deemed to be mentioned in Bid Documents unless otherwise specifically excluded and we confirm to perform for fulfillment of Agreement and completeness of the Work in all respects within the time frame and agreed price.

We understand that you are not bound to accept the lowest priced or any bid that you may receive.

We undertake that in competing for (and, if the award is made to us, in executing) the above contract, we will strictly observe the laws against fraud and corruption in force in India namely, "Prevention of Corruption Act, 1988).

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:

<u>Name and address of agent</u>	<u>Amount</u>	<u>Purpose of Commission or gratuity</u>
_____	_____	_____
_____	_____	_____

(if none, state "none")

We hereby confirm that this Bid complies with the Bid Validity and Bid Security required by the Bidding documents.

We attach herewith our current income tax and sales tax clearance certificates.

Yours faithfully,

Authorized Signature : _____
Name & Title of Signatory: _____
Name of Bidder : _____
Address : _____

Qualification Information

The information to be filled in by the Bidder in the following pages will be used for purposes of qualification as provided for in Clause 4 of the Instructions to Bidders. This information will not be incorporated in the Contract.

- 1-1 Bidder Name:
- 1-2 Numbers of Years in Operation:
- 1-3 Address of Registered Office:
- 1-4 Operation Address
if different from above:

- 1-5 Telephone Number:
- 1-6 E-mail address:
- 1-7 Website:
- 1-8 Fax Number:
- 1-9 ISO Certifications:
- 1-10 Bankers' Name:
- 1-11 Branches:
- 1-12 Branch Code:
- 1-13 Bank account numbers:
- 1-14 Power of attorney of signatory of Bid:
[Attach]

1.2 Annual financial turnover achieved in the last five years.
(in Rs. Crores)

Sl.No.	Year	Financial turnover (Rs. in Crores) *
1	2005-2006	
2	2006-2007	
3	2007-2008	
4	2008-2009	
5	2009-2010	

Attach a Certificate from Chartered Accountant along with Audited Accounting Statement.

1.3.1 Inspections performed by the Bidder during the period from 01.04.2005 to 31.03.2010 as detailed below:-

(For (i) Pipes and Specials (ii) Pumps and accessories and (iii) Electrical Equipment separately)

Project Name	Full Postal Address and phone nos. of Client & Name of Officer-in-Charge	Description of work	Value of inspection with details of pipe materials, Pumps and accessories and Electrical Equipment (Rs. Lakhs)	Date of issue of work order	Details of completion of inspections	Remarks
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From 1.04.2005 to 31.03.2006

From 1.04.2006 to 31.03.2007

From 1.04.2007 to 31.03.2008

From 1.04.2008 to 31.03.2009

From 1.04.2009 to 31.03.2010

From 1.04.2010 to as on date of bid submission

- * *Enclose certificate(s) from Engineer(s)- in- charge.*
 - * *The experience shall be supported by a certificate from client and notarized*
 - * *Corresponding letter of acceptance need to be furnished and notarized*
 - * *Any work done as a sub-agency will be considered only when the certificate is issued by the prime employer.*
 - * *Type of material such as Pipes with material of pipe and sizes and Pumping, Electrical equipment details need to be furnished*
- 1.4 Name, address and telephone, telex and fax numbers of the Bidders' bankers who may provide references if contacted by the Employer.
- 1.5 Information on litigation history in which the Bidder is involved.

Other Party (ies)	Employer	Cause of Dispute	Amount Involved	Remarks showing present status
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SALEM CITY MUNICIPAL CORPORATION

AGREEMENT

ARTICLE OF AGREEMENT made this Day
of
..... Two Thousand and Ten BETWEEN -----
----- (hereinafter referred to as the contractor) on the
one part and the Salem City Municipal Corporation, Salem – 1. (Hereinafter called
the Corporation) on the other part.

WHEREAS the Contractor delivered to the Corporation the willingness
letter attached dated ----- whereby the contractor offered and undertook to
carry out the works specified by the Corporation and accordingly under this contract
for Third Party Inspection Agency for Inspecting the materials involved in the work of
“Empanelling Agencies for conducting third party inspection of Pipes and specials,
Mechanical and Electrical Equipments and Instruments to ensure quality assurance
for Dedicated Water Supply Scheme works in Salem City Municipal Corporation.” of
value about Rs. _____ and also undertook to do all extra and
varied inspections which might be ordered as part of the contract and Corporation
accepted such tender in pursuance whereof the parties hereto have entered into this
contract.

AND WHEREAS the contractor in accordance with the terms of the
said Tender has deposited in the office of the Salem City Municipal Corporation as
Security for the due and faithful performance by the contractor of this contract, the
sum of Rs ----- in the form of Demand Draft No. ----- dated -----
NOW THESE PRESENTS WITNESS THAT for the consideration hereinafter
mentioned the contractor covenants and agrees with the Corporation and their
successors in time specified in this letter of tender thoroughly and efficiently and in a
good work man like manner perform, provide execute and do all the works of
inspection as per instructions of the Superintending Engineer of the Corporation or
other Engineer duly authorised in that behalf (hereinafter and in the annexed
documents referred to as the Engineer shall at anytime in accordance with the said
schedule (bills of quantities) and specifications provide and give together with any
alterations in the works or additions hereto, in the time and manner in such schedule
(bill of quantities) and specifications stipulated to the entire satisfaction of the
engineer and the Corporation for themselves and their successors covenants and
agree with the contractor that during the progress of the works and on the
completion of the contract to the satisfaction of the Engineer, the Corporation shall
and will from time to time on receiving the certificate in writing of the Engineer pay to
the Contractor according to such certificates and the terms of this contract the price
or sum mentioned in such certificates as due to the Contractor under the terms and
of this contract subject nevertheless to deductions or additions thereto or there from
which may be lawfully made under terms of this contract. IT IS HEREBY
MUTUALLY AGREED AND DECLARED AS FOLLOWS.

- a) All certificates or notices or orders for time or for extra or varied or
altered works which are to be the subject of an extra or varied charge
shall be in writing whether so described in the contract or not and
unless in writing shall not be valid or binding or be of any effect
whatsoever.

- b) The term contract shall include:
 - i. Letter of Acceptance (issued for each inspections)
 - ii. Contractor's Bid;
 - iii. Conditions Of Contract
 - iv. Scope of work
 - v. Price Schedule; and
 - vi. Any other correspondences deemed fit.

IN WITNESS WHEREOF THE contractor ----- and the Commissioner, Salem City Municipal Corporation, Salem on behalf of the Corporation have caused their common seal to be affixed the day and year first above written.

Signed, sealed and delivered by the said contractor in the presence of

Signature of Contractor.

Name and Seal :

Signature, Name and Designation of witness:

The common seal of the Salem City Municipal Corporation was hereunto Duly affixed in the presence of:

In witness whereof I hereunto affix my signature:

**Commissioner,
Salem City Municipal Corporation.**

Section-IV

GENERAL CONDITIONS OF CONTRACT

1. DEFINITIONS AND INTERPRETATIONS

In this Document, as hereunder defined, the following terms and expressions shall have the meaning hereby assigned to them except where the context otherwise requires:

AGREEMENT means the agreement concluded on non-judicial stamp paper between Salem City Municipal Corporation and Third Party Inspection Agency for Services as per this Bid document.

SALEM CITY MUNICIPAL CORPORATION / OWNER shall mean SALEM CITY MUNICIPAL CORPORATION

SALEM CITY MUNICIPAL CORPORATION'S REPRESENTATIVE means the person appointed or authorized from time to time by SALEM CITY MUNICIPAL CORPORATION for execution of the contract.

THIRD PARTY INSPECTION AGENCY'S REPRESENTATIVE means the person appointed from time to time by THIRD PARTY INSPECTION AGENCY for execution of the Contract.

ENGINEER-IN-CHARGE / EXECUTIVE-IN-CHARGE shall mean the person designated from time to time by the SALEM CITY MUNICIPAL CORPORATION and shall include those who are expressly authorized by him to act for and on his behalf for operation of this CONTRACT.

CONTRACT shall mean Letter of Acceptance and all attached exhibits and document referred to therein and all terms and conditions thereof together with any subsequent modifications thereto.

SERVICES mean the duties to be performed and the services to be rendered by Third Party Inspection Agency according to the terms and conditions of the Contract.

HEADINGS the headings appearing herein are for convenience only and shall not be taken in consideration in the interpretation or construction of the Contract.

SINGULAR AND PLURAL WORDS importing the singular only also include the plural and vice-versa where the context requires.

2. SCOPE OF THIRD PARTY INSPECTION AGENCY (TPIA)

2.1. Scope of the Third party Inspection Agency shall be as specified in Section V.

2.2. Unless otherwise stipulated in the Contract, the Scope of inspections shall include all tests/items not specifically mentioned in the Contract but that can be reasonably inferred from the Contract as being required for completion of the Services as if such items were expressly mentioned in the Contract.

3. SALEM CITY MUNICIPAL CORPORATION'S REPRESENTATIVE

3.1. Salem City Municipal Corporation's Representative(s) who shall be entitled to act on behalf of Salem City Municipal Corporation with respect to any decision it is empowered to make. The bill / invoice of Third Party Inspection Agency will be certified for payment by such representatives

4. LANGUAGE

4.1 The language of the Contract shall be English.

5. LAW

5.1. Subject to the provisions of this Article, the Contract shall be, in all respects, constructed and operated as an Indian Contract and in accordance with Indian Laws as in force for the time being and is subject to and referred to the Court of Law situated at Salem.

6. CONTRACT PRICE

6.1 The price shall be inclusive of all taxes, duties traveling allowances, equipment utilization charges etc., complete.

7. TERMS OF PAYMENT

7.1. Salem City Municipal Corporation shall pay for the services rendered as per stipulation in the tender through Bank Cheque only. All Bank charges of Third Party Inspection Agency's Bankers shall be to the Third Party Inspection Agency's account.

7.2. Third Party Inspection Agency will invoice Salem City Municipal Corporation according to the terms and conditions provided in the tender.

7.3. Payment terms will be as follows:

On completion of each inspection - 95% of inspection charges (As percentage of Ex-factory cost of materials inspected including all taxes as applicable)

After close out of Project on Completion of inspection job in all respects - 5% of inspection charges (As percentage of Ex- factory cost of materials inspected including all taxes as applicable)

8. TAXES AND DUTIES

8.1. Third Party Inspection Agency shall pay any and all taxes including service tax, duties, levies etc. which are payable in relation to the performance of the Contract. The quoted price shall be inclusive of all such taxes and duties.

8.2. Statutory variation in taxes (CST, LST, WCT, withholding tax, service tax etc.) and duties, if any subsequent to the bid opening and within the contractual completion period shall be to the account of the Salem City Municipal Corporation.

- 8.3. Third Party Inspection Agency will not claim from Salem City Municipal Corporation any taxes paid by him.
- 8.4. Salem City Municipal Corporation shall deduct Income tax at source at applicable rates.

9. PERFORMANCE GUARANTEE

- 9.1 Within 15 days of receipt of the Letter of Acceptance on, the successful Third party Agency shall deliver to the Employer a Performance Security in any of the forms given below for an amount mentioned in the Letter of acceptance
 - i) An irrevocable bank guarantee in the form given in Forms of Securities
 - ii) In the shape of NSC/NSS/KVP/Post Office Time Deposits valid for the required Contract period and pledged in favor of the Commissioner, Salem City Municipal Corporation and shall have the necessary transfer endorsement of the Post Office.
 - iii) Fixed Deposit for the required period from Nationalized/Scheduled Bank/TNSC Bank in favor of the Commissioner, Salem City Municipal Corporation. Certified cheque / Bank Draft in favor of the Commissioner, Salem City Municipal Corporation payable at Salem.

10. TECHNICAL SPECIFICATIONS

- 10.1 The TPIA shall ensure that the materials supplied and inspected shall comply with the technical specifications and other provisions made in the respective Contracts for which the third party inspections proposed.

Wherever references are made in the Contract to codes and standards in accordance with which it shall be executed, the edition or the revised version of such codes and standards shall be those specified in the respective contract.

11. CONFIDENTIALITY

- 11.1. Third Party Inspection Agency / Salem City Municipal Corporation shall treat all matters in connection with the Contract as strictly confidential and undertakes not to disclose, in any way, information, documents, technical data, experience and know-how given to him by Salem City Municipal Corporation / Third Party Inspection Agency without the prior written consent of the latter.
- 11.2. Third Party Inspection Agency further undertakes to limit the access to confidential information to those of its employees, Implementation Partners who reasonably require the same for the proper performance of the Contract provided however that Third Party Inspection Agency shall ensure that each of them has been informed of the confidential nature of the confidentiality and non-disclosure provided for hereof.

12. RESOLUTION OF DISPUTES / ARBITRATION

- 12.1. Salem City Municipal Corporation and Third Party Inspection Agency shall make every effort to resolve amicably by direct informal negotiations any disagreement or dispute arising between them under or in connection with the Contract.
- 12.2. All disputes, controversies, or claims between the parties (except in matters where the decision of the Executive/Engineer-in-Charge is deemed to be final and binding) which cannot be mutually resolved within a reasonable time shall be referred to Arbitration by sole arbitrator.

Salem City Municipal Corporation shall suggest a panel of three independent and distinguished persons to the other party (Third Party Inspection Agency) to select any one among them to act as the sole Arbitrator. In the event of failure of the other party to select the Sole Arbitrator within 30 days from the receipt of the communication suggesting the panel of arbitrators, the right of selection of sole Arbitrator by the other party shall stand forfeited and Salem City Municipal Corporation shall have discretion to proceed with the appointment of the sole Arbitrator. The decision of the Salem City Municipal Corporation on the appointment of Sole Arbitrator shall be final and binding on the parties.

The award of the Sole Arbitrator shall be final and binding on the parties and unless directed/awarded otherwise by the Sole Arbitrator, the cost of arbitration proceedings shall be shared equally by the PARTIES. The arbitration proceeding shall be in English language and the venue shall be at Salem, India.

Subject to the above, the provisions of (Indian) Arbitration & Conciliation Act, 1996 and the rules framed there-under shall be applicable. All matters relating to this contract are subject to the exclusive jurisdiction of the Courts situated at Salem (India).

13. SUSPENSION OF THE PERFORMANCE OF DUTIES AND SERVICES

- 13.1 Salem City Municipal Corporation may suspend in whole or in part - the performance of services of Third Party Inspection Agency's any time upon giving not less than fifteen (15) days notice.
- 13.2 Upon notice of suspension, Third Party Inspection Agency shall suspend the inspection as agreed upon by both the parties.
- 13.3 Upon suspension of the performance of services, Third Party Inspection Agency shall be entitled to reimbursement of the costs which shall have been actually incurred prior to the date of such suspension. However, the total reimbursement shall be restricted to contract price.
- 13.4 By fifteen days prior notice, Salem City Municipal Corporation may request Third Party Inspection Agency to resume the performance of the services, without any additional cost to Salem City Municipal Corporation.
- 13.5 In case of suspension of work by Third Party Inspection Agency on Salem City Municipal Corporation's request for more than 10 days, demobilization and remobilization charges will be paid to Third Party Inspection Agency as per Schedule of Rates.
- 13.6 If the suspension of the duties and services exceeds six months, either party shall be entitled to terminate contract according to Article 16.3 hereunder.

14. ASSIGNMENT

- 14.1. Third Party Inspection Agency shall not have the right to assign or transfer the benefit and obligations of the contract or any part thereof to any other third party without the prior approval in writing of Salem City Municipal Corporation which it shall do at its discretion. However, in event of that all legal/contractual obligations shall be binding on Third Party Inspection Agency only.

15. LIABILITIES

- 15.1. Without prejudice to any express provision in the contract, Third Party Inspection Agency shall be solely responsible for any delay, lack of performance, breach of agreement and/or any default under this contract.
- 15.2. Third Party Inspection Agency shall remain liable for any damages due to its gross negligence within the next 12 months after the issuance of the provisional acceptance post delivery inspection certificate of the contract.
- 15.3. The amount of liability will be limited to 10% of the contract value.

16. TERMINATION OF CONTRACT

16.1. Termination for Default

Salem City Municipal Corporation reserves its right to terminate / short close the contract, without prejudice to any other remedy for breach of CONTRACT, by giving one month notice if Third Party Inspection Agency fails to perform any obligation(s) under the CONTRACT and if Third Party Inspection Agency, does not rectify its failure within a period of 30 days (or such longer period as Salem City Municipal Corporation may authorise in writing) after receipt of the default notice from Salem City Municipal Corporation.

16.2. Termination for Insolvency

Salem City Municipal Corporation may at any time terminate the CONTRACT by giving written notice without compensation to Third Party Inspection Agency, if Third Party Inspection Agency becomes bankrupt or otherwise insolvent, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to Salem City Municipal Corporation.

16.3. Termination for convenience

Salem City Municipal Corporation may by written notice sent to Third Party Inspection Agency, terminate the contract, in whole or part, at any time for its convenience. However, the payment shall be released to the extent to which performance of work executed as determined by Salem City Municipal Corporation till the date upon which such termination becomes effective.

17. MODIFICATION

Any modification of or addition to the contract shall not be binding unless made in writing and agreed by both the parties.

18. CONTRACT / AGREEMENT

The notification of award along with agreement on non judicial stamp paper of appropriate value of as per proforma within 10 days from the date of receipt of LOI, the cost of stamp paper is to be borne by Third Party Inspection Agency, and its enclosures shall constitute the contract between the parties and supersedes all other prior agreements, arrangements and communications, whether oral or written, between the parties relating to the subject matter hereof.

19. FORCE MAJEURE

Shall mean and be limited to the following:

- a) War/hostilities
- b) Riot or Civil commotion
- c) Earthquake, flood, tempest, lightening or other natural physical disaster.
- d) Restrictions imposed by the Government or other statutory bodies which prevents or delays the execution of the Contract by Third Party Inspection Agency.

THIRD PARTY INSPECTION AGENCY shall advise Salem City Municipal Corporation by a registered letter duly certified by the local Chamber of Commerce or statutory authorities, the beginning and end of the above causes of delay within seven (7) days of the occurrence and cessation of such Force Majeure Conditions. In the event of delay lasting over one month, if arising out of causes of Force Majeure, Salem City Municipal Corporation reserves the right to cancel the Contract and the provisions governing termination stated under Article 16.3 shall apply.

For delays arising out of Force Majeure, Third Party Inspection Agency shall not claim extension in completion date for a period exceeding the period of delay attributable to the causes of Force Majeure and neither Salem City Municipal Corporation nor Third Party Inspection Agency shall be liable to pay extra costs provided it is mutually established that Force Majeure Conditions did actually exist.

Third Party Inspection Agency shall categorically specify the extent of Force Majeure Conditions prevalent in their works at the time of submitting their bid and whether the same have been taken into consideration or not in their quotations. In the event of any force majeure cause, Third Party Inspection Agency or the Salem City Municipal Corporation shall not be liable for delays in performing their obligations under this order and the completion dates will be extended to Third Party Inspection Agency without being subject to price reduction for delayed completion, as stated elsewhere.

20. Rectification Period

All services shall be rendered strictly in accordance with the terms and conditions stated in the Contract.

No deviation from such conditions shall be made without Salem City Municipal Corporation agreement in writing which must be obtained before any work against the order is commenced. All services rendered by Third Party Inspection Agency pursuant to the Contract (irrespective of whether engineering, design data or other information has been furnished, reviewed or approved by Salem City Municipal Corporation) are guaranteed to be of the best quality of their respective kinds.

Third Party Inspection Agency shall rectify at its own cost any mistake in assumption of any data in the study or use of wrong data or faulty study observed within 15 days of the acceptance of its report and will submit the rectified report incorporating the changes wherever applicable within 7 days of observance of mistake.

21. Engaging specialist/Specified Laboratories

In exceptional circumstances if the third party agency needs to engage a qualified specialist or entrust the tests to specified Laboratories the Third Party Inspection Agency (TPIA) can do so after getting prior approval from Salem City Municipal Corporation. Similarly whenever the Salem City Municipal Corporation insists the TPIA should engage specialist or test quality of the materials through a specified Laboratories, the TPIA shall do the same at no extra cost

22. Notices

- 22.1. Any notice given by one party to the other pursuant to the CONTRACT shall be sent in writing or by telegram or fax, telex/cable confirmed in writing
- 22.2. A notice shall be effective when delivered or on the notice's effective date, whichever is later.

23. Acquisition of Data

- 23.1. If required, THIRD PARTY INSPECTION AGENCY shall be responsible for carrying out any surveys and acquisition of all data from necessary sources. Salem City Municipal Corporation, if requested in writing by THIRD PARTY INSPECTION AGENCY, may assist the Third Party Inspection Agency in the said acquisition by way of issue of recommendatory letters only. All requisite clearances, co-ordination, fees, charges, etc. and compliance to the local laws required for completion of the job shall be the responsibility of the THIRD PARTY INSPECTION AGENCY.

Section-V
SCOPE OF WORK

SCOPE OF WORK AND MANDATORY DUTIES OF THIRD PARTY INSPECTION AGENCY

1. TPIA shall perform its Services in full accordance with the terms and conditions of the Contract and any applicable local laws and regulations and shall exercise all reasonable professional skill, care and diligence in the discharge of said Project work.
2. TPIA shall in all professional matters act as a faithful advisor to Salem City Municipal Corporation, and will provide all the expert commercial/technical advice and skills which are normally required for the class of Services for which it is engaged.
3. TPIA, its staff, employees shall carry out all its responsibilities in accordance with the best professional standards. Third Party Inspection Agency shall prepare and submit documents /reports etc. in due time and in accordance with the Tender Conditions.
4. TPIA will maintain for the performance of the Contract, personnel as determined to be responsible for carrying out this job and such persons shall not be replaced or substituted without written approval of Salem City Municipal Corporation.
5. The Testing of the materials shall be carried out as per the relevant IS specification of the material/Equipment and approved quality assurance plan at the factory of the manufacturer situated anywhere in India.
6. Inspection should be undertaken within 7 days from the receipt of Inspection call from the Vendor/Contractor and in special circumstances the inspection agency must be able to clear the inspection within 2 days based on the priority fixed by the Corporation.
7. All the inspected and approved materials should have a distinct identification marks and such marks should be made on every item of the purchase order, though actual tests have been carried out only on samples as per ISI sampling and Testing procedure.
8. The inspection agency should issue inspection certificate only if the materials are found acceptable as per the Purchase order specification/QAP/Technical specification/IS duly noting the number of item offered for inspection, quantity accepted/rejected etc., immediately after inspection.
9. The inspection agency shall not admit any deviation in the specification of the purchase order unless otherwise specially approved by the Corporation.
10. The inspection agency should send the original certificate to all the concerned officials of the Corporation.

11. The inspecting agency will be responsible for sampling all the materials inspected and guarantee the quality of the materials as determined from sampling and tests conducted.
12. The inspection of each material shall be conducted irrespective of the value of the material.
13. In case of any problems /clarifications over the quality of materials received at site/stores due to lapse of the inspection agency, the inspection agency shall forthwith refund entire amount collected for inspection of particular consignment or carry out inspection of replacement supplies free of cost or termination of the contract as may be desired by the Corporation. The decision of the Corporation shall be final.

DELIVERABLES

- a. The TPIA is required to submit all deliverables within the schedule inline with the requirement mentioned in various sections of this document. The deliverables includes reports, presentations etc. The deliverables are summarized as under but not limited to:
- b. TPIA shall prepare a detailed Quality Assurance plan (QAP) for the execution of contract for various activities, which will be mutually discussed and agreed to.
- c. TPIA shall establish document and maintain an effective Quality Assurance system outlined in recognized codes.
- d. Any other deliverable not mentioned here but required elsewhere in tender.
- e. As far as possible both hard and editable soft copies to be provided.
- f. For each of the activity TPIA shall provide a comparison between the QAP practices followed for Salem City Municipal Corporation. Projects vis-à-vis best practice recommended for future.
- g. The TPIA shall submit all documents to Salem City Municipal Corporation after the completion of the contract. Further they will retain one set of all documents with them for a period of three years after contract closure.

Any other document required for release of payment to TPIA.

OBLIGATIONS OF CORPORATION

1. Immediately on finalization of a tender for procurement of work/material the Salem City Municipal Corporation will fix TPIA in the empanelled list and issue work order for carrying out inspections. (The Corporation is empowered to fix any TPIA in the empanelled list as per the requirements and necessity without maintaining any seniority/roaster)
2. Necessary documents such as Technical specifications, QAP, drawings and copy of purchase order will be made available to the TPIA.
3. The contractor/Manufacturer of the work/material or equipment will be informed of the fixing up of the TPIA

4. The Main Contractor shall be asked to provide following details to TPIA while raising inspection call
 - a) Name of the contact person with telephone and fax No.
 - b) Address of vendor works where inspection is proposed to be carried out.
 - c) Proposed date of inspection
 - d) Schedule of equipment value wise and place of inspection during the course of inspection.

SECTION-VI
FORMS OF SECURITIES

**PROFORMA OF BANK GUARANTEE FOR CONTRACT PERFORMANCE
GUARANTEE**
(ON NON-JUDICIAL PAPER OF APPROPRIATE VALUE)

TO:
The Commissioner,
Salem City Municipal Corporation,
Salem – 1.

Dear Sirs,

M/s _____
have been awarded the work of “Empanelling Agencies for conducting third party inspection of Pipes and specials, Mechanical and Electrical Equipments and Instruments to ensure quality assurance for Dedicated Water Supply Scheme works in Salem City Municipal Corporation.” for Salem City Municipal Corporation, Salem – 1.

The Contracts conditions provide that the CONTRACTOR shall pay a sum of Rs. _____ as full Contract Performance Guarantee in the form therein mentioned. The form of payment of Contract Performance Guarantee includes guarantee executed by Nationalized Bank, undertaking full responsibility to indemnify Salem City Municipal Corporation, Salem – 1, in case of default.

The said _____ has approached us and at their request and in consideration of the premises we having our office at _____ have agreed to give such guarantee as hereinafter mentioned.

1. We _____
_____ hereby undertake and agree with you that if default shall be made by M/s _____ in performing any of the terms and conditions of the tender or in payment of any money payable to Salem City Municipal Corporation, Salem, we shall on demand pay without any recourse to the contractor to you in such manner as you may direct the said amount of _____ only or such portion thereof not exceeding the said sum as you may from time to time require.
2. You will have the full liberty without reference to us and without affecting this guarantee, postpone for any time or from time to time the exercise of any of the powers and rights conferred on you under the contract with the said _____ and to enforce or to forbear from endorsing any powers or rights or by reason of time being given to the said _____ which under law relating to the sureties would but for provision have the effect of releasing us.

3. Your right to recover the said sum of _____
(_____) from us in manner aforesaid will not be affected or suspended by reason of the fact that any dispute or disputes have been raised by the said M/s. _____ and/or that any dispute or disputes are pending before any officer, tribunal or court.
4. The guarantee herein contained shall not be determined or affected by the liquidation or winding up dissolution or changes of constitution or insolvency of the said but shall in all respects and for all purposes be binding and operative until payment of all money due to you in respect of such liabilities is paid.
5. This guarantee shall be irrevocable and shall remain valid upto _____, If any further extension of this guarantee is required, the same shall be extended to such required period on receiving instruction from M/s. _____ on whose behalf this guarantee is issued.
6. The Bank Guarantee's payment of an amount is payable on demand and in any case within 48 hours of the presentation of the letter of invocation of Bank Guarantee. Should the banker fail to release payment on demand, a penal interest of 18% per annum shall become payable immediately and any dispute arising out of or in relation to the said Bank Guarantee shall be subject to the jurisdiction of Salem Courts.
7. We have power to issue this guarantee in your favour under Memorandum and Articles of Association and the undersigned has full power to do under the Power of Attorney dated _____ granted to him by the Bank.

Yours faithfully,

Bank
By its Constituted Attorney

Signature of a person duly
authorised to sign on behalf of the Bank.

SECTION-VII

PRICE SCHEDULE

REFER VOLUME - II OF THE BID DOCUMENT



**SALEM CITY MUNICIPAL CORPORATION
SALEM**

BID DOCUMENT

**EMPANELLING AGENCIES FOR CONDUCTING THIRD PARTY INSPECTION OF
PIPES AND SPECIALS, MECHANICAL AND ELECTRICAL EQUIPMENTS AND
INSTRUMENTS TO ENSURE QUALITY ASSURANCE FOR DEDICATED WATER
SUPPLY SCHEME WORKS IN SALEM CITY MUNICIPAL CORPORATION.**

CONTRACT NO: 3057/2004/SS2

VOLUME – II

PRICE SCHEDULE

**COMMISSIONER,
SALEM CITY MUNICIPAL CORPORATION.**

Telephone : 0427-2212844

Fax : 0427-2220191

E-mail : commr.salem@tn.gov.in

SECTION-VII
PRICE SCHEDULE

SECTION VII

Price Schedule

7.1 Preamble to Price Schedule

- i. Price schedule shall be read in conjunction with GCC, SCC, ITB & Scope of work of this tender document.
- ii. The quoted price of the bidder shall include, but not limited to the following:

Usage of office infrastructure, computer facilities, all Printing
Reproduction, Communication and courier costs

TPIA's personnel incidental expenses

Fees paid to any other agency, company, organization, and specialist
etc.

Income Tax or any other taxes payable in India excluding Service Tax.

Insurance taken by the TPIA for its inspectors / coordinators to be
deputed for the job.

7.2 Prices in Price Schedule shall be considered for evaluation.

7.3 Basis of Prices and Other Rates

- i. The TPIA fees quoted as a percentage of value of materials (ex-factory cost including all taxes, service Tax and duties as applicable) shall be inclusive of all cost, risk and expense, overhead, profit and / or fee related to the satisfactory performance and completion of the work.
- ii. Errors and Omissions

Bidders shall ensure that there are no errors or omissions in the Priced Bid. All the columns of the price bid are mandatory to be filled -up. In case, there is no amount, "0" (zero) needs to be mentioned. In case any omissions are noticed in the Priced Bid, the Bid is liable to be rejected. Prices shall be written in both words and figures. In case of any discrepancy between prices in words and prices in figures, the prices in words shall be valid and binding.

PRICE SCHEDULE

Sl.No.	Value of Materials to be Inspected (Ex-Factory Cost In Rs.)	Inspection Charges (As % of Ex-Factory Cost of Materials to be inspected) inclusive of all taxes and duties as applicable (including service tax)	
		In figures	In words
1	Upto Rs. 100.00 Lakhs		
2	Above Rs. 100.00 Lakhs and Upto Rs.300.00 Lakhs		
3	Above Rs. 300.00 Lakhs		

PROCEDURE FOR AWARDING WORKS

All the technically responsive bidders will be requested for their willingness to perform TPIA works at the lowest accepted rate.

The bidders who are technically responsive and accepted the lowest approved rates in the tender will be enlisted on strict ascending order of rates quoted by them.

The TPIA work will be entrusted as per strict ascending order of rates quoted from a single window system from the office of the Commissioner, Salem City Municipal Corporation, Salem at the rate fixed.

The Third Party Inspection Agency needs to remit the required Security Deposit and execute the agreement on receipt of each order.