

CONTRACT NO. LIKHU/GVN/Pkg-03/2012

Part II

INSTRUCTIONS TO BIDDERS

INSTRUCTIONS TO BIDDERS

TABLE OF CONTENTS

	<u>PAGE NO.</u>
A. GENERAL	1
1. Scope of Bid	2
2. Source of Funds	2
3. Eligible Bidders	2
4. Purchase of Bid Documents	2
5. Qualification of the Bidder	3
6. One Bid per Bidder	9
7. Cost of Bidding	9
8. Site Visit	9
B. BIDDING DOCUMENTS	10
9. Contents of Bidding Documents	10
10. Clarification of Bidding Documents	11
11. Amendment of Bidding Documents	11
C. PREPARATION OF BIDS	12
12. Language of Bid	12
13. Documents Comprising the Bid	12
14. Bid Prices	13
15. Currencies of Bid and Payment	14
16. Bid Validity	14
17. Bid Security	15
18. Alternative Proposals by Bidders	16
19. Pre-Bid Meeting	16
20. Format and Signing of Bid	16
D. SUBMISSION OF BIDS	17
21. Sealing and Marking of Bids	17
22. Deadline for Submission of Bids	18
23. Late Bids	19
24. Modification and Withdrawal of Bids	19
E. BID OPENING AND EVALUATION	20
25. Bid Opening	20
26. Process to Be Confidential	20

27.	Clarification of Bids	20
28.	Examination of Bids and Determination of Responsiveness	20
29.	Correction of Errors	20
30.	Conversion to Single Currency	20
31.	Evaluation and Comparison of Bids	21
F.	AWARD OF CONTRACT	21
32.	Award	21
33.	Employer's Right to Accept any Bid and to Reject any or all Bids	22
34.	Notification of Award	22
35.	Signing of Agreement	22
36.	Performance Security	22
G.	MISCELLANEOUS	23
37.	Bribery	23
38.	Local Agent	23
39.	Intent of Documents	23

INSTRUCTIONS TO BIDDERS

A. GENERAL

1. SCOPE OF BID

1.1 Green Ventures (Pvt) Ltd, Nepal (GVN), a registered company with Government of Nepal, hereinafter referred to as the Employer, invites bids for Supply, Erection, Testing and commissioning, for the Electro-Mechanical works of the Likhu IV Hydro-electric project under Package no. Likhu/GVN/Pkg-03/2012 (TG Package), based on two (02) envelope bidding system, with scope as hereunder.

“Design, Manufacturing, Transport, Erection, Testing and Commissioning of 3x40 MW Likhu IV HEP with each unit comprising of Francis Turbine, Turbine Inlet valve, PPV, Governor, Vertical Shaft Synchronous Generator, Static Excitation, associated auxiliaries, controls & Instrumentation for Turbine Generator units complete in all aspects including the flow measurement, water level sensors, Drainage & De-watering System, Cooling Water System, Compressed Air System, Lubricant & Governor oil filtration system, associated Power & Control cables, Cable trays, Unit Control- SCADA - Automation and Communication System etc., as specified in the Technical Specifications, Tender Drawings and the Schedules for Turbine Generator Package No. Likhu/GVN/Pkg-03/2012

1.2 The successful bidder shall complete the Works within 36 (thirty six) months from the zero date, i.e. from the date of issue of “Letter of Acceptance” by the Employer.

1.3 Throughout the bidding documents, the terms "bid" and "tender" and their derivatives (bidder/ tenderer, etc.) are synonymous, and "date" means calendar date as per Gregorian calendar.

1.4 Key dates:

- Start of sale of Bid Document - 30.01.2012 (10.00-17:00 Hrs)
- End of sale of Bid Document - 15.03.2012 (upto 17:00 Hrs)
- Pre bid meeting - 10.03.2012 (10.00 Hrs onwards)
- Submission of bid - 30.04.2012 (Upto15.00 Hrs)

2. SOURCE OF FUNDS

2.1 Green Ventures (Pvt.) Ltd. Nepal (GVN) is in the advanced process of obtaining Generation License (GL) from Government of Nepal (GoN) for development of Likhu IV Hydroelectric Project (LIVHEP) of 120 MW capacity on 'Build, Own, Operate and Transfer (BOOT)' basis. The Employer has arranged the requisite source of funds from Nepali & Indian Banks and internal resources.

3. ELIGIBLE BIDDERS

3.1 This invitation to bid is open to all interested bidders meeting the Qualification Criteria requirements, as per sub section 5 below, except as under:

- (a) A bidder (including all members of a joint venture and all subcontractors of a bidder) shall not be affiliated with a firm or entity
 - (i) which has provided consulting services during the preparatory stages of the Works or the project of which the Works form a part, or
 - (ii) which has been hired (or is proposed to be hired) as Consultant for the project/ any of the packages.
- (b) Bidder should not be Blacklisted by- ADB/World Bank/ Govt. of Nepal etc.

3.2 Bidders shall provide evidence of their eligibility criteria to the satisfaction of Employer, as the Employer may reasonably request.

4. PURCHASE OF BID DOCUMENTS

The Bidder may obtain the documents in person or through an authorized agent on all working days during the period from 10:00 Hrs. to 17:00 Hrs from GVN office at Kathmandu (Nepal) or Bhilwara Energy Limited (BEL) Noida office (India) as per clause 1.4 above. Cost of Bid document is Nepali Rupees Thirty Two Thousand (NRs 32,000) or Indian Rupees Twenty Thousand (INR 20,000) or US Dollar Four Hundred (US\$ 400). This non-refundable fee is to be paid in one of the following modes:

- Demand Draft in favour of "GREEN VENTURES PRIVATE LIMITED" payable at Kathmandu, Nepal - in case the bid documents are to be purchased from Nepal office;
OR
- by bank deposit voucher of requisite amount in GVN Current Account No. 01201020015066-4528100 in Nepal Investment Bank, Putalisadak, Kathmandu, Nepal - in case the bid documents are to be purchased from Nepal office;
OR
- through submission of crossed Demand Draft in favour of "Bhilwara Energy Limited" payable at New Delhi from any of the Scheduled Banks in India - in case the bid documents are to be purchased from Noida, India office"

Nepal office :-

The Project Development Manager
Green Ventures (Pvt.) Ltd,
Triveni Complex, Putali sadak
Kathmandu, NEPAL
Tel.: +977-1-4228623/ 4242317
Fax.: +977-1-4266133
e-mail : gvn@trivenionline.com

INDIA Office:-

General Manager- Commercial
Bhilwara Energy Limited
Bhilwara Tower, A-12, Sector-1,
NOIDA - 201031 (U.P)
Tel.: +91120- 4390300
Fax.: +91120- 4323271
e-mail: gvncommercial@Injbhilwara.com

5. QUALIFICATION OF THE BIDDER

5.1 The qualification will be subject to Bidders fulfillment of the Qualification Criteria set and stipulated hereunder, substantiated by authentic and relevant information and details in the prescribed formats. Additional information in support of their claims of achievements may be furnished in any form of bidder's choice.

In addition the bidder shall submit the following with the bid:

- (a) A notarized Power of Attorney for the signatory of the bid documents and contract forms;
- (b) Copies of original documents defining the constitution or legal status, place of registration and principal place of business of the company or firm or partnership or, if a joint venture, of each party thereto constituting the bidder; and
- (c) Following information to meet the minimum threshold criteria set out in the Bid documents:
 - Financial Status (as given in the Qualification Forms).
 - Company Data and Information (as given in the Qualification Forms).
 - Additional major contract commitments (as given in the Qualification Forms) that might reduce or limit the bidder's capability to handle this Contract.

The bid will be rejected, if the bidder fails to submit all the required information or if the information along with their bid fails to prove eligibility.

5.2 The bidder must have proven experience in the execution of Electro Mechanical Works of type, magnitude and nature similar to the items listed at para 5.3 hereunder. Only such experienced and capable bidders shall apply.

5.3 QUALIFYING CRITERIA

The qualification will be based on bidder meeting the minimum Qualification Criteria set

forth hereunder. The bidder need to submit experience certificate demonstrating the desired experience.

5.3.1 Technical Criteria

5.3.1.1 General Project Execution Experience

Operational experience, as prime contractor or as lead partner in a joint venture, in design, manufacturing, supply and executing major Electro Mechanical works in a Water Resources Project, which shall be in successful operation for a period of at least two (2) years in the preceding ten (10) years.

5.3.1.2 Specific Project Execution Experience

The bidder shall provide the evidence demonstrating experience of executing the following components in ongoing/completed project(s) in the last 10 years:

5.3.1.3 TECHNICAL REQUIREMENTS

1. Generating Unit

The Tenderer shall have designed, supplied, manufactured, erected, tested and commissioned at least two (2) similar generating units of size thirty (30) MW or higher for hydro power projects in the last ten (10) years and which are in successful operation for a period of not less than two (2) years at two (2) separate stations, as on the date of bid opening.

2. Turbine & Accessories

The Turbine manufacturer shall have designed, model tested, manufactured and commissioned within the last ten (10) years and which are in successful operation for a period of not less than two (2) years, as on the date of bid opening, one Francis turbine in each category whose characteristics meet or exceed those of the proposed turbines with respect to:

- The maximum net head
- The maximum specific speed

- The maximum output

3. Governor (Electro-hydraulic type)

The Governor manufacturer shall have designed, manufactured, installed and commissioned at least two (2) nos. of Governors for Vertical Francis Turbines of capacity thirty (30) MW or above, in the last ten (10) years and which are in successful operation for a period of not less than two (2) years, as on the date of bid opening.

4. Main Inlet Valve (MIV)

The Valve manufacturer shall have designed, manufactured, erected/ supervised erection, commissioned/ supervised commissioning of at least two (2) nos. of Butterfly Valves, in the last ten (10) years, each having minimum design pressure of 250 m & diameter of 1500 mm or higher and which are in successful operation for a period of not less than two (2) years, as on the date of bid opening.

5. Penstock Protection Valve (PPV)

The Valve manufacturer shall have designed, manufactured, erected/ supervised erection, commissioned/ supervised commissioning of at least two (2) nos. of Butterfly Valves, in the last ten (10) years, each having minimum design pressure of 60 m and diameter of 3000 mm or higher and which are in successful operation for a period of not less than two (2) years, as on the date of bid opening.

6. Generator and Associated Equipment

- **Hydro-Generator**

The Generator manufacturer shall have designed, manufactured, erected/ supervised erection, commissioned at least two (2) nos. of Vertical Hydro Generators, in the last ten (10) years, each of rated output 35 MVA or higher and speed around 500 rpm and which are in successful operation

for a period of not less than two (2) years, as on the date of bid opening.

- **Static Excitation System**

The Static Excitation Equipment manufacturer shall have designed, manufactured, erected/ supervised erection, commissioned at least two (2) nos. of Static Excitation Equipment for Vertical Hydro Generators, in the last ten (10) years, each of rated output 35 MVA or higher and which are in successful operation for a period of not less than two (2) years, as on the date of bid opening.

- **C&I Equipments / Systems**

- a) The Electro-hydro control system (including turbine protection) to be offered for the hydro-turbine shall be of same type and make which is in successful operation for not less than two (2) years, in the last ten (10) years, as on date of bid opening in atleast two (2) units of hydro turbine-generator of capacity 30 MW and above.
- b) The man-machine interface & other control systems to be offered shall be based on either supervisory control & data acquisition (SCADA) system or Distributed Digital Control Monitoring and Information System (DDCMIS), which is in successful operation for not less than two (2) years, in at least two (2) units of a power station, as on the date of Bid opening.

Notes:

1. Average monthly progress shall mean the total progress achieved by the bidder, during one year (continuous) in a project divided by 12.
2. The progress of one project only will be considered for the purpose of meeting the Qualification criteria i.e. progress at two or more different projects will not be added up to make up a duration.

5.3.2 Financial Capacity

5.3.2.1 Turnover

Average annual turnover equivalent to at least the amount specified hereunder by the bidder over the preceding five (5) years. "US\$ 45 million or equivalent.

(For conversion to US\$, the exchange rate at the end of each December" published

selling exchange rate by Nepal Rastra Bank shall be considered)

5.3.2.2 Profitability

The bidder must have been making net profit (before taxes) for at least three (3) years out of immediately preceding five (5) financial years.

5.3.2.3 Net Worth

The Net Worth of the bidder must be positive and not less than the amount of its equity capital including share premium in at least four (4) out of five (5) of immediately preceding five (5) financial years. The Net Worth shall be calculated based on subscribed and paid-up Share Capital + Share Premium + Free Reserves + Unallocated balance/Surplus amount of Profit & Loss Account less a) Expenses not written off b) Accumulated Loss in Profit & Loss Account, if not reduced from Reserves & Surplus. The Revaluation Reserve, Capital Reserve and amount of intangible assets like goodwill etc. will not be taken into account while calculating the Net Worth.

5.3.2.4 Working Capital

The bidders Working Capital shall be minimum US \$ 4.5 Million (equivalent) . The Working Capital shall be calculated as Current Assets minus Current Liabilities based on the audited balance sheet of the immediately preceding financial year. In case of shortfall in Working Capital not exceeding 50% of the above requirements, the assured financial commitment from bank/financial Institution of international repute will also be considered.

Note:

- Annual Reports along with audited balance sheets and other financial Statements of the immediately preceding five (5) financial years of the bidder shall be furnished by the bidder for checking and evaluating their Financial Capacity vis-à-vis the requirement stipulated herein above.
- In case the annual accounts for the last year is not audited and therefore the bidder could not make it available, the bidder shall give an undertaking to the same effect and the statutory auditor shall certify the same.

5.4 Bids submitted by a joint venture of two or more firms as partners shall comply with the following requirements:

- (a) the bid shall include all the information listed in Sub-Clause 5.1(a) to (c) above for each joint venture partner;
- (b) the bid, and in case of a successful bid, the Form of Agreement, shall be signed so as to be legally binding on all partners;

- (c) one of the partners shall be nominated as being in charge; and this authorization shall be evidenced by submitting a power of attorney signed by legally authorized signatories of all the partners;
- (d) 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;
- (e) 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 (c) above as well as in the Form of Bid and in the Form of Agreement (in case of a successful bid); and
- (f) a copy of the agreement entered into by the joint venture partners shall be submitted along with the bid.

5.5 Bidders shall include in their bids: proposals of work or execution methods, list of Equipment proposed to be used to achieve the completion of Work in line with the work method and schedule, in sufficient detail to demonstrate the adequacy of the bidders' proposals to meet the technical specifications and the completion time referred to in Sub-Clause 1.2 above. A bid found to be inappropriate and/ or incomplete may be disqualified. However, the Employer may ask the successful bidder to submit a revised list of the Contractor Equipment that it intended to use. The Employer may request a change or addition of the submitted Contractor Equipment list. The final list shall be included in the Contract. The Contractor shall mobilize at least the agreed quantity and Type/ Capacity of the equipment at site. The Contractor shall indicate the list of equipment which he proposes to deploy at the time of initial mobilization. The Contractor shall make provision for keeping spare parts at site for the deployed equipment.

5.5.1 Other Documents to be submitted with the bid:

- Execution work program
- Fabrication, Transportation, Erection and Commissioning plan(Method and Sequence of work)
- Dimension Drawings
- Transport Information with main dimensions and weight of ODC equipment.
- Process flow diagram for Electrical Control system, Hydraulic and Pneumatic System, etc.
- Quality Assurance Manual
- Drawings, Catalogues etc

5.6 In case some of the documents submitted by bidders are not in English, a certified translation in English shall also be furnished.

5.7 The Employer reserve their right to relax any of the qualification criteria mentioned above, at the sole discretion of the Employer.

6. ONE BID PER BIDDER

6.1 Each bidder shall submit only one bid, either by itself, or as a partner in a joint venture. A bidder who submits or participates in more than one bid will be disqualified.

7. COST OF BIDDING

7.1 The bidder shall bear all costs associated with the preparation and submission of its bid and the Employer will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

8. SITE VISIT

8.1 The bidder is advised to visit and examine the Project Site and its surroundings and obtain for itself on its own responsibility all information that may be necessary for preparing the bid and entering into a contract for execution of the Works. The costs of visiting the Site shall be at the bidder's own expense.

8.2 The bidder and any of its personnel or agents will be granted permission by the Employer to enter upon the Employer's premises and land for the purpose of such inspection/ site visit, but only upon the express condition that the bidder, its personnel and agents, will release and indemnify the Employer and the Employer's personnel and agents from and against all liability in respect thereof and will be responsible for death or personal injury, loss of or damage to property and any other loss, damage, costs and expenses incurred as a result of the inspection/visit.

8.3 The Employer will assist in arranging visit to the project site upon receipt of a written request from the bidder.

8.4 Although the site visit is not mandatory for bidding, the Employer shall not be responsible in any way, for the successful bidder being not acquainted or familiar with the site conditions and /or prevailing rules & regulations in Nepal, and no claims whatsoever will be admissible during execution because of him not conducting such visit during the bid preparation.

8.5 Project Site Information:

- (a) One copy of the "Environmental Impact Assessment" (EIA), is available in GVN office for review by bidders on all working days between 10.00 A.M and 05.00 P.M prior to the site visit and become further acquainted with environmental conditions of the project site.

- (b) Pursuant to Sub-Clause 11.1 of the Conditions of Contract, any subsurface, hydrological and climatic information and data furnished is not intended as representation or warranty but is furnished in order that the bidder may have access to the information that is available to the Employer. The Employer will not be responsible for any deduction, interpretation or conclusion drawn therefrom by the bidder.

B. BIDDING DOCUMENTS

9. CONTENTS OF BIDDING DOCUMENTS

- 9.1 The Contract Documents are listed in Clause 2 of the Form of Contract Agreement. The bidding documents are those stated below, and shall be read in conjunction with any Addenda issued in accordance with Clause 11:

VOLUME I – Tender Invitation

Part I: Invitation for Tender

Part II: Instructions to Bidders

VOLUME II – Conditions of Contract

- Volume II A: Preamble
- Volume II B: General Condition of Contract for Electrical & Mechanical Works (including erection on site) - FIDIC 1987
- Volume II C: Special Condition of Contract- Part I
- Volume II C: Special Condition of Contract- Part II
- Volume II D:
 - Letter of Acceptance
 - Performance Security
 - Advance Payment Security
 - Contract Agreement

VOLUME III - Technical Specifications for Turbine and Generator Package

Section A

1. Salient Features
2. General Technical Requirements (GTR)
3. Schedule of Requirements (SOR)
4. Qualification Criteria (QR)

Section B

1. Technical Specification- Turbine, Governor, MIV & Associated Mechanical Unit Auxiliaries

Section C

1. Technical Specification - Generator and Excitation System
2. Technical Specification - Power and Control Cable
3. Technical Specification - Cable Trays
4. Technical Specification - Unit Control SCADA and Automation
5. Technical Specification - Erection

VOLUME IV- Technical and Financial Proposal

Preamble to Volume IV

Envelope No.1- Technical Proposal

Section D

1. Guaranteed Technical Particulars (GTP)
 - I. Mechanical
 - II. Electrical

Section E

1. Bid Security Form
2. Schedule of Supplementary Information

Envelope No 2. - Financial Proposal

Section F

1. Price Schedule

VOLUME V - Drawings

- 9.2 The bidder is expected to examine carefully the contents of all the above documents. Failure to comply with the requirements of bid submission will be at the bidder's own risk. Pursuant to Clause 28, bids which are not substantially responsive to the requirements of the bidding documents will be rejected.
- 9.3 Apart from hard copy of bid documents, Employer shall also issue a CD containing PDF copy of complete bid documents and drawings.

10. CLARIFICATION OF BIDDING DOCUMENTS

- 10.1 A prospective bidder requiring any clarification of the bidding documents may notify the Employer in writing or by cable (hereinafter, the term "cable" is deemed to include email and facsimile) at the Employer's address indicated in the Invitation for Bids. The Employer will respond to any request for clarification which it receives earlier than 21

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.

11. AMENDMENT OF BIDDING DOCUMENTS

- 11.1 At any time prior to the deadline for submission of bids, the Employer may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective bidder, modify the bidding documents by issuing addenda.
- 11.2 Any addendum thus issued shall be part of the bidding documents pursuant to Sub-Clause 9.1, and shall be communicated in writing or by cable to all purchasers of the bidding documents. Prospective bidders shall acknowledge receipt of each addendum by cable to the Employer.
- 11.3 To afford prospective bidders reasonable time in which to take an addendum into account in preparing their bids, the Employer may extend as necessary the deadline for submission of bids, in accordance with Clause 22.

C. PREPARATION OF BIDS

12. LANGUAGE OF BID

- 12.1 The bid, and all correspondence and documents related to the bid exchanged by the bidder and the Employer shall be written in the English language. Supporting documents and printed literature furnished by the bidder may be in another language provided they are accompanied by an accurate translation of the relevant passages in the above stated language, in which case, for purposes of interpretation of the bid, the English translation shall prevail.

13. DOCUMENTS COMPRISING THE BID

- 13.1 The bid submitted by the bidder shall comprise the following:

ENVELOPE NO.1- BID SECURITY & TECHNICAL PROPOSAL

- 1 Bid Security
- 2 Letter of Application
- 3 General Information
- 4 General Project construction/ Execution Experience Record
- 5 Joint Venture Summary
- 6 Specific Project Execution Experience Record
- 7 Details of Completed and current Contracts of Similar Nature and

-
- Complexity
 - 8 Details of Compliance as per the Qualification Criteria: To be submitted as separate booklet with a soft copy.
 - 9 Current Contract Commitments/Works in Progress
 - 10 Equipment Capabilities and a firm list of Equipment that will be available with Contractor during the progress of the Works
 - 10 Financial Data
 - 11 Document outlining Project Quality Assurance and Proposed Site Organization
 - 12 Additional Information
 - 13 Undertaking from Sub-contractor(s)
 - 14 Schedule of Gauranteed Technical Particulars (GTP) & Technical- cum- Performance Data
 - 15 Schedule of Supplementary Information.
 - 16 List of Application Forms

ENVELOPE NO.2 - FINANCIAL PROPOSAL

- 1 Letter of Bid
- 2 Appendix to Bid
- 3 Bill of Quantities & schedule of Prices
- 4 Schedule of Payment

14. BID PRICES

- 14.1 General: In the item description of the Bill of Quantities the number of the Section of the Specification is indicated to show the Section where a payment clause for the particular Item, or equivalent reference, is located. These references which are listed in the Bill of Quantities may not be the only applicable references in the Contract Documents; and the same are only for the convenience of the Contractor and no contractual significance is intended.
- 14.2 Unless stated otherwise in the bidding documents, the Contract shall be for the whole Works as described in Sub-Clause 1.1, based on the schedule of unit rates and prices submitted by the bidder.
- 14.3 All duties, taxes and other levies payable by the Contractor under the Contract, or for any other cause, as of the date 28 days prior to the deadline for submission of bids, shall be included in the rates and prices and the total bid price submitted by the bidder, and the evaluation and comparison of bids by the Employer shall be made accordingly.
- 14.4 This is a fixed and firm price Contract as per clause 47 of the Conditions of Contract. The rates and prices quoted by the bidder are not subject to any adjustment during the performance of the Contract as regards fluctuations in the Price/ rate of material, Plant and labour, and deemed to include transportation ex- factory to final destination.

15. CURRENCIES OF BID AND PAYMENT

- 15.1 The unit rates and prices shall be quoted by the bidder entirely in Nepalese Rupees (NRs.). A bidder expecting to incur expenditures in other currencies for inputs to the Works supplied from outside the Employer's country (referred to as "the foreign currency requirements") shall indicate in the Appendix to Bid the proportion of the Bid Price (excluding Provisional Sums) needed by the bidder for the payment of such foreign currency requirements, entirely in US Dollars/ Euro/ Indian currency.
- 15.2 The rates of exchange to be used by the bidder for currency conversion shall be the selling rates for similar transactions prevailing on the date 28 days prior to the deadline for submission of bids, published by Nepal Rastra Bank.

For the purpose of payment, the exchange rates used in bid preparation shall apply for the duration of the Contract so that no currency exchange risk is borne by the bidder.

- 15.3 Bidders shall indicate their expected foreign currency requirements in the Appendix to Bid, including but not limited to the specific requirements for
- (a) expatriate staff and labor employed directly on the Works;
 - (b) social, insurance, medical and other charges relating to such expatriate staff and labor, and foreign travel expenses;
 - (c) imported materials, both temporary and permanent, including fuels, oil and lubricants required for the Works;
 - (d) depreciation and usage of imported Plant and Contractor's Equipment, including spare parts, required for the Works;
 - (e) foreign insurance and freight charges for imported materials, Plant and Contractor's Equipment, including spare parts; and
 - (f) overhead expenses, fees, profit, and financial charges arising outside Nepal in connection with the Works.

- 15.4 Bidders may be required by the Employer to clarify their foreign currency requirements, and to substantiate that the amounts included in the unit rates and prices and shown in the Appendix to Bid are reasonable and responsive to Sub-Clause 15.1.

16. BID VALIDITY

- 16.1 The bid shall remain valid for a period of 180 days after the date of bid opening specified in Clause 25.
- 16.2 In exceptional circumstances, prior to expiry of the original bid validity period, the

Employer may request that the bidders extend the period of validity for a specified additional period. The request and the responses thereto shall be made in writing or by cable. A bidder may refuse the request without forfeiting its bid security. A bidder agreeing to the request will not be required nor permitted to modify its bid, but will be required to extend the validity of its bid security for the period of the extension, and in compliance with Clause 17 in all respects.

17. BID SECURITY

- 17.1 The bidder shall furnish, as part of its bid, a bid security in the amount not less than NRs (Nepali Rupees) 20 million or equivalent INR (Indian Rupees) or US Dollars or an equivalent amount of freely convertible currency in Nepal, considering the foreign exchange selling rates established by Nepal Rastra Bank on the date 28 days prior to submission of bids.
- 17.2 The bid security shall be in the form of a guarantee from either a Nepali Bank or an Indian Bank. In case bidder wishes to furnish bank guarantee from any other country (in foreign currency), the bank guarantee shall be duly authenticated by a Nepalese or an Indian Bank. The format of the bank guarantee shall be in accordance with the sample forms of bid security included in Section 3; other formats may be permitted, subject to the prior approval of Employer. The bank guarantee for the bid shall be valid for 240 days from the date of submission of the bid.
- 17.3 Any bid not accompanied by an acceptable bid security shall be rejected by the Employer as nonresponsive.
- 17.4 The bid securities of unsuccessful bidders will be returned as promptly as possible, but not later than 63 days after the submission of security guarantee by the successful bidder.
- 17.5 The bid security of the successful bidder will be returned when the bidder has signed the Agreement and furnished the required performance security bank guarantee.
- 17.6 The bid security may be forfeited
- (a) if the bidder withdraws its bid during the period of bid validity;
 - (b) if the bidder does not accept the correction of its bid price, pursuant to Sub-Clause 29.2; or
 - (c) in the case of a successful bidder, if it fails within the specified time limit to
 - (i) sign the Agreement,
 - (ii) furnish the required performance security.

18. ALTERNATIVE PROPOSALS BY BIDDERS

18.1 Alternative Bid is not acceptable.

19. PRE-BID MEETING

19.1 The bidder or its official representative is invited to attend a pre-bid meeting which will be held for prospective bidders. The meeting will be held at GVN office, Kathmandu (Nepal).

19.2 Prospective bidders interested in attending the pre- bid meeting and site visit should contact the Employer.

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

19.4 The bidder is requested to submit any questions by letter in writing or by email, to reach the Employer not later than one week before the pre-bid meeting date.

19.5 Minutes of the meeting, including the text of the questions raised 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 9.1 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 11 and not through the minutes of the pre-bid meeting.

19.6 Non-attendance at the pre-bid meeting will not be a cause for disqualification of a bidder. However nonattendance at the pre-bid meeting also shall not be considered as the cause of any claim by the Contractor during project execution .

20. FORMAT AND SIGNING OF BID

20.1 The bidder shall prepare the Bid based on the “two envelope bidding system”, Envelop No. 1 containing the Bid security & Technical information, and Envelop 2 containing the Financial Bid. The bidder shall prepare one original and two photo static copies of the documents comprising the bid as described in Clause 13 of these Instructions to Bidders, bound with the volume containing the Form of Bid, and clearly marked "ORIGINAL", "COPY 1" and “COPY 2” as appropriate. In the event of discrepancy between them, the original shall prevail.

20.2 The original and all copies of the bid shall be typed or written in indelible ink (in the case of copies, photostats are also acceptable) and shall be signed by a person or persons duly authorized to sign on behalf of the bidder, pursuant to Sub-Clauses 5.1(a) or 5.2(c), as the case may be. All pages of the bid where entries or amendments have been made shall be initialed by the person or persons signing the bid.

- 20.3 The bid shall contain no alterations, omissions 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 initiated by the person or persons signing the bid.

D. SUBMISSION OF BIDS

21. SEALING AND MARKING OF BIDS

- A. One Original and two copies of the Bid security & Technical Proposal shall be enclosed in Envelope-1. The "Original and two copies" of Financial Proposal shall be enclosed in envelope No.2
- B. The original and the two copies of the Technical Proposal shall be sealed in three separate envelopes: one marked "ORIGINAL – TECHNICAL PROPOSAL" and two marked "COPY 1 and COPY 2 – TECHNICAL PROPOSAL", respectively. Similarly, the original and the two copies of the Financial Proposal shall be sealed in three separate envelopes marked "ORIGINAL – FINANCIAL PROPOSAL" and "COPY 1 and COPY 2 – FINANCIAL PROPOSAL", respectively.
- C. The three sealed envelopes containing the Bid security & Technical Proposal shall be inserted in ENVELOPE 1 (first inner envelope). The three sealed envelopes containing the Financial Proposal (original and two copies) shall be inserted in ENVELOPE 2 (second inner envelope).
- D ENVELOPE 1 and ENVELOPE 2 shall be sealed and inserted in an outer envelope.
- E (1) The outer envelope shall be addressed to the Employer at the following Address:
- Project Development Manager
Green Ventures (Pvt.) Ltd.
Triveni Complex, Putali sadak
Kathmandu, NEPAL
Tel.: +977-1-4228623/4242317
Fax.: +977-1-4266133
e-mail: gvn@trivenionline.com
- (2) The envelope shall bear the following identification:
- Bid for Package 3 – Electro Mechanical Works
 - Bid Reference Number: **LIKHU/GVN/Pkg-03/2012**

- ENVELOPE NO.1 – BID SECURITY & TECHNICAL PROPOSAL
DO NOT OPEN BEFORE 16:00 HOURS ON _____
- ENVELOPE NO.2 - PRICE PROPOSAL
DO NOT OPEN BEFORE PRICE PROPOSAL BID OPENING
DATE

(3) In addition to the identification required above, the inner envelope shall indicate the name and address of the Bidder to enable the Bid to be returned unopened in case it is declared "late", or to enable Envelope No. 2 to be returned unopened pursuant to Clause 28.

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.

22. DEADLINE FOR SUBMISSION OF BIDS

- A The deadline for the submission of Bid shall be as indicated under clause 1.4. Bidder shall submit their bids at GVN office in Kathmandu (Nepal).
- B Bids must be received by the Employer at the address specified above no later than 15.00 hours on the date specified under clause 1.4. However, if this date is a declared holiday, the deadline for submission of Bids will be 15.00 hours on the first working day following the holiday.
- C The Employer may, at its discretion, extend the deadline for submission of Bids by issuing an amendment in accordance with Clause 12, in which case all rights and obligations of the Employer and the Bidders previously subject to the original deadline will thereafter be subject to the deadline as extended.
- D Bids received after the above time and the Bid Closing Date will not be considered and will be returned unopened.
- E. Partial or incomplete Bids will be rejected. Bids shall be strictly in accordance with the Bid Documents. Bids with Works completion dates or time later than those specified will be rejected.
- F Bidders should retain a copy of the Bid with the Contract Documents as their file copy.

23. LATE BIDS

- 23.1 Any bid received by the Employer after the deadline for submission of bids prescribed in Clause 22 may be rejected and returned unopened to the bidder.

24. MODIFICATION AND WITHDRAWAL OF BIDS

- 24.1 The bidder may modify or withdraw its bid after bid submission, provided that written notice of the modification or withdrawal is received by the Employer prior to the deadline for submission of bids.
- 24.2 The bidder's modification or withdrawal notice shall be prepared, sealed, marked and delivered in accordance with the provisions of Clause 21, with the outer and inner envelopes additionally marked "MODIFICATION" or "WITHDRAWAL", as appropriate.
- 24.3 No bid may be modified by the bidder after the deadline for submission of bids.
- 24.4 Withdrawal of a bid during the interval between the deadline for submission of bids and the expiration of the period of bid validity specified in the Form of Bid may result in the forfeiture of the bid security pursuant to Clause 17.

E. BID OPENING AND EVALUATION

25. BID OPENING

- A. General: The Employer will open only Envelope No. 1 – Bid security and Technical Proposal. If the bid security is not found in order, in this case bid may be rejected and returned to bidders. After review and evaluation of the technical proposals submitted under Technical Proposal of the bids (Envelope 1), the Employer will publish/notify the list of qualified Bidders. In due course the date for opening Envelope No.2 - Price Proposals of the qualified Bidders will be notified to all the qualified Bidders. The Employer will open Envelope No. 2 in the presence of the Bidders' representatives, on the date, time and place given in the notification letter.

26. PROCESS TO BE CONFIDENTIAL

- 26.1 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 the bidder's bid.

27. CLARIFICATION OF BIDS

- 27.1 To assist in the examination, evaluation and comparison of bids, the Employer may, at its discretion, ask any bidder for clarification of its bid, including breakdowns of 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 29.

28. EXAMINATION OF BIDS AND DETERMINATION OF RESPONSIVENESS

- 28.1 Envelope No. 1: Promptly after opening of Envelope No. 1- Technical Proposals, the Employer, assisted by the Engineer, will undertake a detailed study and appraisal of the technical proposal part of the Bids submitted.
- A Prior to the detailed evaluation of bids, the Employer will determine whether each bid (i) meets the eligibility criteria; (ii) has been properly signed; (iii) is substantially responsive to the requirements of the bidding documents; and (vi) provides any clarification and/or substantiation that the Employer may require pursuant to Sub-Clauses 27.1 and 15.4.
- B 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 (i) which affects in any substantial way the scope, quality, or performance of the Works, (ii) which limits in any substantial way, inconsistent with the bidding documents, the Employer's rights or the bidder's obligations under the Contract; or (iii) whose rectification would affect unfairly the competitive position of other bidders presenting substantially responsive bids.
- C During review of Envelope No. 1, in order to assist in the examination, evaluation and comparison of Bids, the Employer may, at its discretion, ask the Bidder for a clarification of its Bid. All responses to requests for clarification shall be in writing, and no change in the price or substance of the Bid shall be sought, offered or permitted.
- D. If a Bidder does not meet the qualification requirements or is found not substantially responsive to the requirements of the Bid Documents, the Bid will be rejected without considering it further for detailed evaluation. Subsequently, its financial Bid will be returned unopened. The detailed review of Envelope No. 1 will be carried out only to the Bids meeting all requirements set out in Clause 28 A through 28 B above
- 28.2 Envelope No. 2 - Financial proposal will be opened on the date, time and place notified to the Bidder, in presence of the Bidders' representative who opt to attend the Bid opening. The bidders' representatives who are present shall sign a register evidencing their attendance. Envelopes marked "WITHDRAWAL" will be opened and read out first. However bids for which an acceptable notice of withdrawal has been submitted pursuant to Clause 24 will not be opened.
- A Promptly after opening of Envelope No. 2, the Employer will undertake a detailed study and appraisal of the Price Proposals submitted. The Employer does not bind itself to award the Contract to the lowest or to any Bidder, but will take into careful consideration the Bidder's prices and such other factors as are deemed applicable.

- B If Bid is not substantially responsive, as determined by the Employer, either before or after Envelope No. 2 is opened, the Bid will be rejected by the Employer, and may not subsequently be made responsive by correction or withdrawal of the nonconforming deviation or reservation.

29. CORRECTION OF ERRORS

- 29.1 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 amounts in figures and in words, the amount in words will govern; and
- (b) where there is a discrepancy between the unit rate and the line item total resulting from the multiplying of the unit rate by the quantity, the unit rate as quoted will govern, unless in the opinion of the Employer there is an obvious gross misplacement of the decimal point in the unit rate, in which case the line item total as quoted will govern and the unit rate will be corrected. If there is a discrepancy between the total bid amount and the sum of total costs, the sum of total costs shall prevail and the total bid amount will be corrected.

- 29.2 The amount stated in the Form of 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 on the Bidder. If the bidder does not accept the corrected amount of the bid, its bid will be rejected and the bid security may be forfeited in accordance with Sub-Clause 17.6(b).

30. CONVERSION TO SINGLE CURRENCY

- 30.1 For bid evaluation, the Employer will convert the amounts in various currencies in which the Bid Price is payable to the currency of the Employer's country, at the selling rates established by Nepal Rastra Bank on the date 28 days prior to submission of bids.

31. EVALUATION AND COMPARISON OF BIDS

- 31.1 The Employer will evaluate and compare only the bids determined to be substantially responsive in accordance with Clause 28.

- 31.2 In evaluating the bids, the Employer will determine for each bid the Evaluated Bid Price by adjusting the Bid Price as follows:

- (a) Making any correction for errors pursuant to Clause 29;
- (b) Excluding Provisional Sums and the provision, if any, for Contingencies in the Summary Bill of Quantities, but including Daywork, where priced competitively;

- (c) Making an appropriate adjustment for any other acceptable variations, deviations or alternative offers submitted in accordance with Clause 18; and
 - (d) Converting the amount resulting from applying (a) to (c) above to a single currency in accordance with Clause 30 (if applicable).
- 31.3 The Employer reserves the right to accept or reject any variation, deviation or alternative offer. Variations, deviations, alternative offers and other factors which are in excess of the requirements of the bidding documents or otherwise result in the accrual of unsolicited benefits to the Employer shall not be taken into account in bid evaluation.
- 31.4 If the bid of the successful bidder is seriously unbalanced in relation to the Engineer's estimate of the cost of work to be performed under the Contract, the Employer may require the bidder to produce detailed price analysis for any or all items of the Bill of Quantities, to demonstrate the internal consistency of those prices with the construction/execution methods and schedule proposed.
- 31.5 At their option, the Employer reserves its right to go in for reverse auction or re-float the tender, based on outcome of this bidding process or otherwise.

F. AWARD OF CONTRACT

32. AWARD

- 32.1 Subject to Clause 34, the Employer will award the Contract to the bidder whose bid has been determined to be substantially responsive to the bidding documents and who has offered the Lowest Evaluated Bid Price for this Contract, and taking into account any discounts offered by bidders, provided that such bidder has been determined to be (i) eligible in accordance with the provisions of Sub-Clause 3.1; and (ii) qualified in accordance with the provisions of Clause 5. Provided further that the 'Generation license' for the project has been issued to the Employer by the Government of Nepal.

33. EMPLOYER'S RIGHT TO ACCEPT ANY BID AND TO REJECT ANY OR ALL BIDS

- 33.1 Notwithstanding Clause 32, the Employer reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids, at any time prior to award of Contract, 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.

34. NOTIFICATION OF AWARD

- 34.1 Prior to expiration of the period of bid validity prescribed by the Employer, the Employer will notify the successful bidder by cable confirmed by registered letter that its bid has been accepted. This letter (hereinafter and in the Conditions of Contract called the

"Letter of Acceptance") shall name the sum which the Employer will pay the Contractor in consideration of the execution, completion and maintenance of the Works by the Contractor as prescribed by the Contract (hereinafter and in the Conditions of Contract called "the Contract Price").

34.2 The notification of award will constitute the formation of the Contract.

34.3 Upon furnishing by the successful bidder of a performance security, the Employer will promptly notify the other bidders that their bids have been unsuccessful.

35. SIGNING OF AGREEMENT

35.1 At the same time that the Employer notifies the successful bidder that its bid has been accepted, the Employer will send to the bidder the Form of Agreement provided in the Bidding documents, incorporating all agreement between parties.

35.2 Within 28 days of receipt of the Employer notification of Award, the successful bidder shall sign the Contract Agreement.

36. PERFORMANCE SECURITY

36.1 Within 21 days of receipt of the notification of award from the Employer, the successful bidder shall furnish to the Employer the Performance Security in accordance with the Conditions of Contract. The forms of performance security provided in Section 9 of the bidding documents may be used or some other forms acceptable to the Employer.

36.2 If the performance security is to be provided by the successful bidder in the form of a bank guarantee, State Bank of India, Punjab National Bank and Standard Chartered Bank have either their own branches in Nepal or have tie-ups with some local Nepal banks and thus bidders shall have to furnish the Bank Guarantee through any of these banks or give a counter-guarantee from their existing banks (if other than these 3 banks) to any of these 3 banks and obtain the Bank Guarantee from them only.

36.3 Failure of the successful bidder to comply with the requirements of Clauses 35 or 36 shall constitute sufficient grounds for the annulment of the award and forfeiture of the bid security.

G. MISCELLANEOUS

37. BRIBERY

37.1 The offer of a bribe or other inducement to any person with a view to influencing the placing of the Contract will result in rejection of the bid.

38. LOCAL AGENT

- 38.1 A foreign bidder wishing to have or already having a local agent shall state the Name and address of the agent/representative along with contact details.

39. INTENT OF DOCUMENTS

- 39.1 The Contractor by signing the Contract explicitly waives the Contractor's general terms of business, including those shown in the margin or on the reverse of letters, quotations, invoices, etc. Any exceptions to this rule shall be only as stated in the Contract.

END OF INSTRUCTIONS TO BIDDERS