

Financial Proposal

**BID DOCUMENTS
FOR
SUPPLY, COMMISSIONING, WARRANTY, INSURANCE
& INSTALLATION OF CNC MACHINE
THROUGH
LOCAL COMPETITIVE BIDDINGS
KARACHI TOOLS, DIES & MOULDS CENTRE
(KTDMC)**

**MINISTRY OF INDUSTRIES & PRODUCTION,
GOVERNMENT OF PAKISTAN**

**Sector no 38, NC No24 Adjacent to Pakistan Refinery Limited,
Korangi Creek Industrial Park, Korangi Creek Road Karachi, Pakistan
Ph: (92-21) 35120501 & 35120499 - 500 Fax: (92-21) 35121890**

PUBLISHED IN www.ppra.org.pk & www.ktdmc.com WEB SITE

Date of Issuance: _____

Issued To: _____

Important Note:

The Bidder shall seal & affix to the company's stamp the envelope, duly marked as "Bid Document of CNC Machine".

Envelops shall:

- a) Be addressed to "Admin & HR Department, Karachi Tools, Dies & Moulds Centre Sector 38, Korangi Creek Industrial Park, Korangi Creek Road Karachi, Pakistan".
- b) Bear the words, "" "DO NOT OPEN THE BID BEFORE (date and time of opening)"

TENDER NOTICE

Tender # 65/KTDMC/2018-19

1. Karachi Tools, Dies & Moulds Centre (KTDMC) invites sealed bids from reputable National bidders registered with Tax authorities and who are on Active Taxpayers list of the Federal Board of Revenue for the procurement of **CNC Machine**.
2. Sealed Bids are invited from reputable and eligible bidders for the following Brand New Machine & accessories on **DDP basis**:

S.NO	ITEM NAME	QTY
01	CNC Vertical Machining Center (High speed/Die/Mould series)	01

3. Bidding documents, containing detailed terms and conditions are available at the given below address can be collected against fee of **Rs.1000/-** (non-refundable) in the shape of demand draft or pay order in favor of **"Karachi Tools, Dies & Mould Centre"** from **August 30, 2018 to September 25, 2018** Monday to Friday between 9:00 a.m. to 5:00 p.m. Bidding documents can also be downloaded from www.ktdmc.com free of cost.
4. The bids, prepared in accordance with the instructions in the bidding document, must reach at below address in sealed envelopes marked as **"Invitation to Bid for CNC Machine"**. Sealed bids along with bid security amounting to **02% of the total bid price** in the shape of Pay Order/ Demand Draft/ Bank Guarantee in favor of **"Karachi Tools Dies & Moulds Centre"**, valid for a minimum period of **90 days** should be submitted before or on **September 25, 2018 (3:00 p.m.)** Bids will be opened on the same day at **03:30 p.m.** in the presence of bidders or their authorized representatives who intent to be present.
5. Bid which do not comply with our conditions or submitted after date and time prescribed shall be rejected and returned. No bid documents will be issued on the date of tender opening.
6. This advertisement is also available on www.ppra.org.pk & www.ktdmc.com

Admin & Purchase Department
Karachi Tools, Dies & Moulds Centre
Sector no 38, NC No24 Adjacent to Pakistan Refinery Limited,
Korangi Creek Industrial Park, Korangi Creek Road Karachi, Pakistan
Ph: (92-21) 35120501 & 35120499 - 500 Fax: (92-21) 35121890
Website: www.ktdmc.com, Email: imran.khan@ktdmc.com

INSTRUCTION TO BIDDERS

A GENERAL

i) Company Introduction

Karachi Tools Dies and Moulds Centre (KTDMC) is wholly owned subsidiary of Pakistan Industrial Development Corporation. KTDMC was incorporated in March, 2006 as company limited by guarantee having share capital and registered under section 42 of the Companies Ordinance, 1984.

The main objectives of the company are to design, develop and manufacture tools, dies and moulds (TDM) in Pakistan and provide training, consultancy and skill development services to public and private sector.

ii) Scope of bid

Sealed bids are invited for the supply, delivery, warranty, commissioning, installation of CNC machine and its accessories (hereinafter referred as “Machine”).

iii) Qualification of the bidder

By submission of documentary evidence in its bid, a Bidder must establish to the KTDMC’s satisfaction that it has the financial, technical, and production capability necessary to perform the agreement.

iv) Cost of the bid

The Bidder shall bear all costs associated with the preparation and submission of its bid, and the KTDMC will in no case be responsible or liable for those costs.

v) Inquiry of the bid

Bidder may visit to the KTDMC premises and review the relevant documents by the permission of the KTDMC but such permission shall only be allowed on application made in writing by the bidder at least before four days from the date of closing the bid.

vi) Eligible Bidders & Bid

The invitation is open to all suppliers with complete support and services facilities and has self-sufficient trained staff and experts.

All bids should be submitted in accordance with Bid forms (Annexure A) duly witnessed and signed.

B THE BIDDING DOCUMENTS

i) Contents of bids

All bids are to be completed and returned to KTDMC together with the following documents, in accordance with the Instruction to Bidder.

1. Covering letter with company profile including details of after sale services with Technical Proposal.
2. Bid Form (Annexure “A”) in Separate Envelop with Financial Proposal
3. Bid Security (Annexure “B”) in Separate Envelop with Financial Proposal
4. Machine Offered (Annexure “C”) in Separate Envelop with Technical Proposal
5. Machine Offered (Annexure “D”) in Separate Envelop with Financial Proposal
6. Tax documents (NTN & GST Certificate) with Financial Proposal.
7. Affidavit on Judicial stamp paper of Rs.100 that company is not black listed with Financial Proposal.
8. Brochures and booklet of the specification of Machine offered with Technical Proposal:
 - a. Operations Manuals.
 - b. Services Manual with maintenance frequency
 - c. Drawings
9. Cliental List with Technical Proposal
10. Any other document prescribed to be submitted with the Bid.

Procedure of open competitive bidding:

Single stage – two envelope procedure.-

- (i) The bid shall comprise a single package containing two separate envelopes. Each envelope shall contain separately the financial proposal and the technical proposal;
- (ii) the envelopes shall be marked as “FINANCIAL PROPOSAL” and “TECHNICAL PROPOSAL” in bold and legible letters to avoid confusion;
- (iii) initially, only the envelope marked “TECHNICAL PROPOSAL” shall be opened;
- (iv) the envelope marked as “FINANCIAL PROPOSAL” shall be retained in the custody of the procuring agency without being opened;
- (v) the procuring agency shall evaluate the technical proposal in a manner prescribed in advance, without reference to the price and reject any proposal which does not conform to the specified requirements;
- (vi) during the technical evaluation no amendments in the technical proposal shall be permitted;
- (vii) the financial proposals of bids shall be opened publicly at a time, date and venue announced and communicated to the bidders in advance;
- (viii) after the evaluation and approval of the technical proposal the procuring agency, shall at a time within the bid validity period, publicly open the financial proposals of the technically

accepted bids only. The financial proposal of bids found technically non-responsive shall be returned un-opened to the respective bidders; and

(ix) the bid found to be the lowest evaluated bid shall be accepted.

ii) Clarification of Bidding Documents

A prospective Bidder requiring any clarification of the Bidding Documents may notify the KTDMC in writing at the KTDMC's address at least four working days before tender opening.

C PREPERATION OF BID

i) Language of Bid

The bid prepared by the Bidder and all correspondence and documents related to the bid exchanged by the Bidder and the KTDMC shall be written in English language.

ii) Documents Comprising the Bid

The bid submitted by the Bidder shall, in addition to the requirement as mentioned in clause (i) of Section B of the bid documents, comprise:

- (a) A Bid Form (Annexure A) duly completed and signed by a person or persons duly authorized to bind the Bidder to the contract.
- (b) All Price Schedules duly completed and signed by a person or persons duly authorized to bind the Bidder to the Agreement
- (c) Term of payments
- (d) Period of validity of bid

iii) Bid Prices

Price must quote inclusive of all taxes on **DDP** basis, inclusive of its delivery at site (after payment of freight, handling, insurance, customs, duties, taxes etc) installation, commissioning, trials and accessories.

Period of validity of Bid Price shall remain valid for 90 days after the date of Bid opening.

Prices quoted by the bidders shall remain fixed and valid until completion of contract period and will not be subject to variation on any account.

iv) Bid Currencies

Bid price must be in Pakistan Rupees.

v) Bid Security

The bidders shall furnish as part of bid a bid security **2%** of total bid amount in fixed amount stated in the tender notice on Bid security form. (As per Annexure B) should be submitted with financial proposal. The bid security shall be dominated in Pakistan Rupees. It shall be valid for **90 days**.

vi) Performance guarantee

Qualified Bidder must give the guarantee in the amount **05 %** of the contract amount in the shape of bank guarantees valid for a period of twelve months, duly signed by the authorized person confirming that there shall be no variation in the bid given by the bidder including any change in quoted price and time period of delivery of Machines (As per Annexure E).

vi) Acceptance of Bid

KTDMC reserves the right to ACCEPT or REJECT any or all Bids, as per PPRA rules 2004.

D SUBMISSION OF BIDS

i) Sealing and Marking of Bids

The Bidder shall seal the envelope of the Bid in an inner and outer envelope.

Envelops shall:

- a) be addressed as “Admin & Purchase Department, Karachi Tools, Dies & Moulds Centre Sector 38, Korangi Creek Industrial Park, Korangi Creek Road Karachi, Pakistan” along with “TENDER NUMBER”.
- b) Bear the words, “KTDMC” “DO NOT OPEN THE BID BEFORE (date and time of opening)”
- c) Bear the name, address and contact number of the Bidder at which the bid could be returned unopened, if it is declared “LATE” pursuant to clause D(iii).

ii) Deadline for Submission of Bids

Last date for submission of bid is **September 25, 2018 by 3:00 P.M**

KTDMC may, as per PPRA Rules, extend the deadline for submission of bids by amending the Bidding Documents, in this case all rights and obligations of the KTDMC and Bidders will thereafter be subject to the deadline as extended. The extended date shall be intimated to the bidders in writing. Extended date shall not be less than 3 working days from the date of submission of bid as mentioned above.

iii) Late Bids

Any bid received by the KTDMC after the bid submission deadline prescribed by the KTDMC in the document will be rejected and returned unopened to the Bidder.

iv) Modification or Withdrawal of Bids

A Bidder may modify or withdraw its bid after submission, provided that written notice of the modification or withdrawal is received by the KTDMC prior to the deadline prescribed for bid submission.

E BID OPENING AND EVALUATION

i) Opening of Bids by KTDMC

The bid shall be opened in the office of KTDMC, Sector 38 NC No-24 Korangi Creek Industrial Park, adjacent to Pakistan Refinery Ltd. Korangi Creek Road Karachi Pakistan.

The KTDMC will open all bids, including withdrawals and modifications, in public, in the presence of Bidders' or their representatives who choose to attend, at the time, on the date and at the place specified in the bid document. Bidders' representatives shall sign a register as proof of their attendance.

ii) Minutes of the bid opening meeting

The KTDMC will prepare minutes of the bid opening in the form of opening statement, including the information disclosed to those present. The minutes will be distributed to all Bidders that met the deadline for submitting bids, in due course of time.

iii) Clarification of Bids

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

iv) Preliminary Examination of Bids

KTDMC will examine the bids to determine whether they are complete, without any computational errors, whether required securities have been furnished, whether the documents have been properly signed, and whether the bids are generally in order.

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

Prior to the detailed evaluation, the KTDMC will determine whether each bid is of acceptable quality, complete, and substantially responsive to the Bidding Documents. For purposes of the determination, a substantially responsive bid is one that conforms to all the terms & conditions of the Bidding Documents without deviations, exceptions, objections, conditional ties, or reservations.

Arithmetical error will be rectified on the basis, if there is discrepancy between the unit price and the total price, which is obtained by multiplying the unit price and quantity, or between subtotals and the total price, the unit or subtotal price shall prevail and the total price shall be corrected. If there is a discrepancy between words and figures, the amount in the words will prevail. If a bidder does not accept the correction of errors, its bid will be rejected.

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

v) Evaluation and Comparison of Bids

The evaluation and comparison of the bids shall be made on following basis:

S.No	Details	Qualification
1	<u>Technical Evaluation</u> Meet Specification as per Annexure “C” of Technical Proposal	Should Qualify
2	<u>Financial Evaluation</u> Annexure “D” of Financial Proposal	Should be Lowest

vi) Contacting the KTDMC

From the time of bid opening to the time of Agreement award, if any Bidder wishes to contact the KTDMC on any matter related to the bid, it should do so in writing.

If a Bidder tries to directly influence the KTDMC or otherwise interference the bid evaluation process and the Agreement award decision, its bid may be rejected.

F POST-QUALIFICATION AND AWARD OF AGREEMENT

i) Post-qualification

KTDMC will determine to its own satisfaction whether the Bidder that is selected as having submitted the Lowest Evaluated Bid or for any other reason is qualified to perform the Contract period satisfactorily.

KTDMC will also evaluate the Bidder’s financial, technical, integration, customization, management, services & support capabilities and will be based on an examination of the documentary evidence of the Bidder’s qualifications, as well as other information the KTDMC deems necessary and appropriate. The determination may include visits or interviews with the Bidder’s clients referenced in its bid, site inspections, and any other measures. At the time of post-qualification KTDMC may also carry out tests to determine that the performance or functionality of the ‘Services’ offered meets the standard requirements of KTDMC.

ii) Award Criteria

KTDMC will award the Agreement to the Bidder whose bid has been determined to be substantially responsive and the Lowest Evaluated Bid, provided further that the Bidder has been determined to be qualified to perform the Agreement satisfactorily.

The Agreement will only be awarded to successful bidder(s) for procurement, fixing, commissioning and installation of machines.

iv) Notification of Award

Prior to the expiration of the period of bid validity, KTDMC will notify the successful Bidder in writing by registered letter, or by electronic means to be subsequently confirmed in writing by registered letter, that its bid has been accepted.

The notification of award will constitute the formation of the Agreement.

v) Signing of Agreement

At the same time as KTDMC notifies the successful Bidder that its bid has been accepted, KTDMC will send the Bidder the Form of Agreement after mutual understanding between the KTDMC and the bidder.

vi) Agreement

After completion of bid procedure and award of Agreement to successful bidders, an agreement will be signed between KTDMC & the successful bidder on terms & condition to be agreed upon. Subject to the conditions mentioned in the bid document

vii) Warranty

- i. The bidder further warrants that the services to be carried out under the Agreement will conform to generally accepted professional standards and engineering principles in Pakistan.
- ii. The bidder shall provide twelve (12) months warranty for Machinery starts after issuance of Final Acceptance from KTDMC or 13 months from the date of delivery of equipment at site, which comes first.
- iii. Warranty is against manufacturing defects, faulty design and workman ship. Warranty shall not cover any electronic, controller, drive cards and servo motor and any type of mishandling at buyer's end.
- iv. KTDMC shall promptly notify the qualified bidder in writing of any claim arising under the Warranty.
- v. Upon receipt of such notice, the bidder shall promptly but not later than seven working days of such request, respond in writing about Annexure of repairs and replacement.
- vi. If the bidder, after having been notified, fails to remedy the defects in accordance with the Agreement, KTDMC may proceed to take such remedial action as may be necessary, at the Supplier's expense. The Supplier's warranty pursuant to the Clause is without prejudice to any other rights or remedies, which the KTDMC may have against the bidder under the Agreement.

vii) Delivery time or completion schedule

Selected firm will be bound to supply / deliver the required Machines using their own transportation. All Machinery is to be delivered according to schedule.

- (i) The time for delivery of the Machinery at KTDMC Office is within **90-140 days** after signing of this Agreement.
- (ii) No extension of time is allowable unless it is due to change of specifications of each set of Machinery, notified in writing by the Buyer or due to force majeure as envisaged in Clause M, hereunder.
- (iii) Provided that the extension of time as aforesaid shall only be applicable to a specific set of Machinery for which the certain situation arises as discussed in sub-clause (ii), above.
- (iv) The Supplier shall demonstrate to the Buyer satisfaction that it has used its best endeavors to avoid or overcome such cases for delay, and the parties will mutually agreed upon remedies to mitigate or overcome such causes for delay.
- (v) Buyer shall have the right to claim from the Supplier payment of percentage equal to one tenth of one percent of the price of each item of the supplies not timely delivered for each calendar day, of delay, provided, however, that the total claim of payment shall not exceed ten (10) percent of the price of such incomplete items, or without prejudice to the provisions
- (vi) Supplier shall not be liable for delay of delivery of Machinery if caused by Force Majeure.

viii) Spares & Accessories

The supplier will ensure to provide spares and accessories for next 10 years in order to keep the system functional at its optimum performance.

ix) Applicability of Pakistan's Laws

Anything contained in the documents which are in contraventions of the laws shall be considered as null and void.

xi) Indemnity

- (i) The Supplier shall undertake to indemnify KTDMC against any defects or shortfalls in the Machines.
- (ii) The Supplier shall undertake to indemnify the KTDMC against any infringement of any intellectual property rights in respect of the Machines.

xii) Termination

- (i) KTDMC may, without prejudice to any other remedy for breach of contract by written notice of default sent to the Bidder, terminate the contract in whole or in part. KTDMC shall have the right to terminate/cancel the contract concluded between the Bidder and KTDMC, if:
 - (a) The Bidder fails otherwise to perform, fulfill or comply with terms & conditions, regulations and requirements of the contract to carry out the work in accordance with the provisions thereof or abandons the shipment.
 - (b) The Bidder becomes bankrupt or insolvent or makes an assignment for the benefit of its creditors.

xiii) Default by Supplier

KTDMC may, without prejudice to any other remedy by written “notice of default” sent to the supplier, cancel the order whole or in part, if:

- a) The supplier fails to deliver any or all of the ordered quantity as per specified delivery schedule or any extension thereof granted by the KTDMC.
- b) The supplier fails to perform any other obligation(s) under the “Agreement”.
- c) KTDMC during the delivery period has reasons to believe that the supplier will not be able to fulfill the obligations under the “Agreement”.

KTDMC prior to exercising its right to cancel the order/Agreement shall issue notice to Supplier specifying the default(s) and the supplier shall submit an explanation within seven (07) days of receipt of such notice. If such explanation is not furnished within stipulated time or if so furnished, is found to be unsatisfactory and/or the default(s) continues, order/Agreement may suspend/cancel the enlistment of supplier.

KTDMC shall have the right to terminate/cancel the Agreement/order concluded between the supplier and KTDMC, if:

- a) The successful bidder fails to furnish the performance bond.
- b) The supplier fails otherwise to perform, fulfill or comply with terms, conditions, regulations and requirements of the order/Agreement to carry out the work in accordance with the provisions thereof or abandons the shipment.
- c) The supplier becomes bankrupt or insolvent or makes an assignment for the benefit of its creditors.
- d) One or more consignments delayed by a period of more than three months or non-supplied.
- e) Rejection of machines as a result of observation by inspection team.
- f) Penalty on higher rejection rate of supplied goods.

xiv) Inspection & Test:

- i. The purpose of the inspection is to verify and confirm that the machines are in accordance with Specification stated in bidding document/Agreement.
- ii. The Company will nominate inspection & technical experts for the inspection of machines at KTDMC.
- iii. The Company or its nominees shall have the right to inspect and/or to test the Machines to confirm their conformity to the specifications.
- iv. If any inspected or tested Machines fail to conform to the specifications, the Company may reject them and the Supplier shall either replace the rejected Machines or make all alternations necessary to meet the requirements of the specifications, to the satisfaction of the Company free of cost.

xv) Terms of payment:

- i. 70% of the sale price will be released by the Company to the Supplier on successful delivery of the Machines without any defect at KTDMC office. Supplier will arrange delivery, loading unloading, transit insurance, handling at port and transportation from

port to KTDMC at its own risk & cost. Supplier is also responsible for handling, unloading, commissioning & installation at designated area at KTDMC on its own risk & cost.

- ii. 30% balance payment will be released on completion of installation/commissioning & successful trial test of machine and an acceptance certificate for the completion of said job will be issued & duly signed jointly by both parties.
- iii. All the payments under this Agreement shall be made after deduction of withholding or other applicable taxes, the receipt whereof shall be handed over to the Supplier at the time of making final payment.

xvi) Guarantee:

- i. The Supplier give guarantee to the Buyer that the specifications of Machinery and Services supplied shall as per Schedule, shall be first class in every particular case, and shall be free from defects.
- ii. The Supplier further give guarantee to Buyer that all Machinery and supplies furnished by the Supplier will be new, merchantable of the most suitable grade and fit for their intended purpose.

xvii) Pre-Bid Meeting:

- i. KTDMC, on his own motion or at the request of any or all prospective bidder(s), hold a pre-bid meeting to clarify issues and to answer any questions on matters related to the Bidding Documents. All prospective bidders or their authorized representatives shall be invited to attend such a prebid meeting.
- ii. The bidders are requested to submit questions, if any, in writing so as to reach KTDMC not later than three (3) days before the proposed pre-bid meeting.

Pre-Bid Meeting schedule:

Date: 19/09/2018
Time: 02: 30 p.m.
Venue: Karachi Tools, Dies & Moulds Centre, Sector 38, NC 24, Korangi Creek Karachi

BID FORM

To
C.E.O
Karachi Tools, Dies & Moulds Centre
Sector No, 38, NC No 24,
Adjacent to Pakistan Refinery Limited,
Korangi Creek Industrial Park,
Korangi Creek Road, Karachi, Pakistan

Gentleman:

Having examined the bidding documents for the supply, delivery of machines including the specifications, the receipt of which is hereby duly acknowledged, we the undersigned offer to supply and deliver materials in conformity with the said Bidding Documents including Addenda Nos. (Insert Numbers), for the sum of (total Bid Amount in words and figures) or such other sums as may be ascertained in accordance with the Price Schedule attached and made part of the Bid.

We agree to abide by the Bid for a period of (Number) days from the date fixed for bid closing and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Until a formal Agreement is prepared and executed, the Bid, together with your written acceptance thereof in your notification of award, shall constitute a binding Agreement between us. We understand that you are not bound to accept the lowest price or any Bid that you may have received.

Dated the _____ day _____ of 20.

(Signature)

(In the Capacity of)

Duly authorized to sign Bid for and on behalf of M/S _____

(Signature of Witness 1)

Signature of Witness II _____

Address _____

Address _____

Date _____

Date _____

BID FORM SUMMARY

S.No	Details	Remarks
1	Bid Security	2% of Total Financial Proposal
2	Bid Validity	90 Days
3	Payment Terms	DDP
4	Warranty Period	12 Month
5	Delivery Period	90~140 days
6	Performance Guarantee	5 % of Total Contract Value for One Year

BID SECURITY FORM

Whereas _____ (hereinafter called "The Bidder") has submitted its bid date _____ for CNC Machine _____ (insert brief description of the 'Machine') (hereinafter called "the Bid").

Know all new the presents that We _____ of having our registered office at _____ (hereinafter called "The Bank") are bound up to (insert name of Buyer) (hereinafter called "the Buyer") in the sum of (Amount of the guarantee in words and figures) for which payment well and truly to be made to the said Buyer, the Bank binds itself, its successors and assigns, by these presents. Scaled with the common seal of the Bank the _____ day of _____

THE CONDITION of the obligation are:

1. If the Bidder withdraws it's Bid during the period of bid validity specified by the Bidder on the Bid form,
2. If the Bidder having been notified of the acceptance of its Bid by the Buyer During the period of the bid validity,
 - a) Fails or refuses to execute the agreement form, when requested or,
 - b) Fails or refuses to furnish the performance security, in accordance with the instruction to Bidder,

We undertake to pay to Buyer up to the above amount, according to, and upon receipt of, the first written demand, without the Buyer having to substantiate its demand, provided that in the its demand the Buyer will note that the amount claimed by it is due to its owing to the occurrence of one or both of the two above-stated condition, specifying the occurred condition or conditions. The guarantee will remain in force up to and including thirty (30) days after the period of Bid validity, and any demand in respect thereof should reach the Bank not later than such date.

(Name of Bank)

(Signature of Witness)

Authorized Representative

Annexure” E”

Performance Security Bond

**ON NON JUDICIAL STAMP PAPER OF RS. 100/- (Hundred) PER 100,000
FORMAT OF PERFORMANCE BANK GUARANTEE.**

Karachi Tools Dies & Moulds Centre Korangi Creek Industrial Park, Adjacent to Pakistan Refinery Limited, Korangi Industrial Area, Korangi Creek Road Karachi, Pakistan.

Dear Sirs,

IN THE SUM OF Rs. _____ ACCOUNT _____
TO YOU IN KARACHI UNDER THE PURCHASE

In consideration of your having placed purchase
Order _____ on M/s.
_____. Called SUPPLIER and in consideration for
Value, received from Karachi Tools Dies & Moulds Centre , we hereby agree and undertake as
under:

1. To make unconditional payment of Rs..... Being FIVE PERCENT (05 %) of the value of the purchase Order price mentioned in the said purchase Order, on your written demand (s) without further recourse, question or reference to SUPPLIER or any other person, in the event of default or non-performance and / or non - fulfillment by SUPPLIER of his obligation liabilities & responsibilities under and in purchase of the said purchase Order of which you shall be the sole judge.
2. "To accept written intimation from you as conclusive and sufficient evidence of the existence of a default or breach as aforesaid on the part of SUPPLIER and to make Payment accordingly within 3 (three) days of receipt thereof.
3. To keep the guarantee in full force from the date hereof until 12 (Twelve) months after completion of supply under the Purchase Order.
4. That no grant of time or other indulgence to amendment in the terms of the purchase order by agreement with Karachi, Tools Dies & Moulds Centre in respect of the PERFORMANCE of his obligations under and in pursuance of the said Purchase Order with or without issuance of the said Purchase Order with or without notice to us, shall in any manner discharge or otherwise , however, affect the Guarantee and our liabilities and commitments there under.
5. The Guarantee shall be binding on us and our successors in interest and shall be irrecoverable.
6. The Guarantee shall not be affected by any change in the constitution of the Bank or the constitution of: the Supplier

Yours faithfully,

Karachi Tool Dies & Moulds Centre
Sector No 38, NC No 24,
Adjacent to Pakistan Refinery Limited
Korangi Creek Industrial Park,
Korangi Creek Road, Karachi, Pakistan

Inspection Certification

Book No. _____ Set No. _____

1. Inspection Certificate No. _____ Date _____ Copy No. _____
2. Agreement or Supply order No. _____ Date _____
3. Supplier's name and address _____
4. Indenter _____
5. Indenter No. _____
6. Consignee _____
7. Stores tendered for inspection on _____
8. Stores inspected on _____
9. Delivery in part or full _____
10. Details of stores inspected as below and on _____

**Inspected by
From KTDMC**

**Delivered by
From Supplier**

DRAFT CONTRACT AGREEMENT

This Agreement is made and executed at **Karachi Tools, Dies & Moulds Centre** on _____ by and between M/s _____.

M/s Karachi Tools, Dies and Moulds Center, Sector 38 NC 24 Korangi Creek Industrial Park, Korangi Creek Road, Karachi, Pakistan, a Company registered under section 42 of the Companies Ordinance 1984, represented by its Chairman and C.E.O, hereinafter referred to as (the "**Buyer**", which expression shall, where the context so permits, mean and include its predecessors, executors, nominees, administrators, assignees and successors-in-interest) of the one part.

AND

M/s _____ having its Office No _____, Karachi represented by its C.E.O _____ (hereinafter referred to as the "**Supplier**", which expression shall, where the context so permits, mean and include its principals, agents, nominees, representatives, permitted assignees and successors-in-interest) of the second part.
(the Buyer and the Supplier shall collectively be referred to as the "**Parties**" and severally as the "**Party**").

WHEREAS

- (1) The Buyer is under the Ministry of Industries & Production, Government of Pakistan.
- (2) The Buyer to promote the skills of and to train the workers in special areas is desirous of buying and installing special Machinery, specifications of which are described in detail in **Schedule**, attached herewith (the "**Machinery**") define as complete set of machines with standard accessories, at Karachi, Tools, Dies & Moulds Centre, Sector No. 38, NC. 24, Korangi Creek Industrial Park, adjacent to Pakistan Refinery Limited, Korangi Industrial Area, Korangi Creek Road, Korangi, Karachi, Pakistan (the "**Site**").
- (3) That the Bid of the Machinery specified in **Schedule** attached herewith was solicited vide advertisement in the newspapers. Thereafter, the bid of the Supplier has been accepted in terms of Notification of Award, **Schedule, attached herewith.**
- (4) The Supplier represents that it has sufficient knowledge, technical skills, experience, staff, adequate funds, organization, legal qualifications, license and facilities to act as the Supplier.
- (5) The Buyer has agreed, on the basis of above representations, to enter into an agreement of purchase of the brand new Machinery, on the terms and conditions, which the Parties are desirous of reducing into writing.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH AS FOLLOWS:

A. Essence of the Agreement:

Specifications, brand, make, supply, insurance, installation, commissioning, trials, drawings, warranty, standard accessories, time of delivery and after sales service of the Machinery, all as detailed in the Schedule, along with training of the staff of the Buyer, as detailed hereunder are the essence of this Agreement.

B. Price:

The price of the Machinery is on DDP basis, inclusive of its delivery at site (after payment of freight, handling, insurance, customs, duties, taxes etc), installation, commissioning, successful trials and accessories of 'Buyer' staff.

The total price of CNC Vertical Machining Center (High Speed) is **Pak Rs.**

Excluding G.S.T.

C. Conditions precedent:

The Supplier shall provide to the Buyer a bank guarantee of "A" rated bank in the amount of Five percent (**05%**) of the total price mentioned in Clause B above on account of performance bond within 14 days of signing of this Agreement. The said bank guarantee shall be valid for one (1) year from issuance of the acceptance certificate under Clause H (iv), hereafter or maximum for the period of 13 months from the date of delivery at site, whichever comes first.

D. Place of Delivery:

The Machinery shall be delivered by the Supplier, at his cost and risk, at the Site of Karachi Tools, Dies & Moulds Centre, Sector # 38, NC NO. 24, Korangi Creek industrial Park, adjacent to Pakistan Refinery Limited, Korangi Industrial Area, Korangi Creek Road, Korangi, Karachi, Pakistan.

E. Terms of payment:

- i. 70% of the sale price will be released by the Company to the Supplier on successful delivery of the Machinery without any defect at 'Site'. Supplier will arrange delivery, loading unloading, transit insurance, handling at port and transportation from port to 'Site' at its own risk & cost. Supplier is also responsible for handling, unloading, commissioning & installation at designated area at 'Site' on its own risk & cost. All basic necessities and consumables will be arranged and provided by buyer at installation site.
- ii. 30% balance payment will be released on completion of installation, commissioning & successful trial test of Machinery and an acceptance certificate for the completion of said job will be issued & duly signed jointly by both parties. However, in case of unexpected delay at the end of KTDMC to start the installation/commissioning process, KTD will not be held responsible and remaining 30% payment shall be released within 30 days from the date of delivery of the equipment at site.

- iii. All the payments under this Agreement shall be made after deduction of withholding or other applicable taxes, the receipt whereof shall be handed over to the Supplier at the time of making final payment.

F. Time for delivery:

- i. The time for delivery of the Machinery at 'Site' is within **90-140 days** after signing of Agreement.
- ii. No extension of time is allowable unless due to force majeure as envisaged in Clause M, hereunder.
- iii. Provided that the extension of time as aforesaid shall only be applicable to a specific set of Machinery for which the certain situation arises as discussed in sub-clause (ii), above.
- iv. The Supplier shall demonstrate to the Buyer satisfaction that it has used its best endeavors to avoid or overcome such cases for delay, and the parties will mutually agreed upon remedies to mitigate or overcome such causes for delay.
- v. Buyer shall have the right to claim from the Supplier payment of percentage equal to one tenth of one percent of the price of each item of the supplies not timely delivered for each calendar day, of delay, provided, however, that the total claim of payment shall not exceed ten (10) percent of the price of such incomplete items, or without prejudice to the provisions
- vi. Supplier shall not be liable under delay delivery clause of Machinery if caused by Force Majeure.

G. Covenants of the Supplier:

- (i) The Supplier shall supply unused brand new and latest manufactured Machinery according to the agreed specifications.
- (ii) The Supplier shall supply the Machinery according to the specifications as detailed in **Schedule**, attached herewith.
- (iii) The Supplier shall open letter of credit(s), at its cost, within 07 days of signing of this Agreement, in favour of the principal/ manufacturer of the Machinery.
- (iv) The Supplier shall, at its cost, arrange trainers to train Machinery operations for minimum 02 personnel and staff of the Buyer at Karachi Tools, Dies & Moulds Centre, within 10 days of installation of the Machinery. The said training shall comply with the requirement as per Agreement.
- (v) The supplier shall provide one year warranty, which shall commence after acceptance as per clause H (iv) or 13 months from the date of delivery of equipment at site, whichever comes first.
- (vi) The Supplier shall allow the staff or representative of the Buyer to inspect the Machinery after delivery to 'Site'.
- (vii) The Supplier shall on occurrence of any operational and functional fault in any of the Machinery during Operations; make arrangements to remove the faults at its own cost during warranty period as early as possible. All the costs of travelling, boarding and lodging will be borne by the Supplier.
- (viii) The Supplier hereby covenants that it shall arrange and provide the spare parts and after sales service of the Machinery to the Buyer, if required, at cost to cost basis, for Ten (10) years after the lapse of the warranty.
- (ix) The Supplier hereby covenants that the Machinery shall be delivered to the Buyer at the site mentioned above, and all the costs and risk of any loss or

damage to or deterioration of the Machinery thereof shall be borne by the Supplier.

H. Obligations of the Buyer:

- (i) The Buyer shall ensure to complete the civil and electrical works of the site before the arrival of the Machinery on the drawing/instruction provided by the "Supplier".
- (ii) The Buyer shall make timely payments under this Agreement.
- (iii) Subject to Clause K hereunder, the Buyer shall issue acceptance certificate within 07 working days after the installation, commissioning and successful trials of the Machinery and receiving of any accessories herewith.

I. Indemnity:

- (iii) The Supplier hereby undertakes to indemnify the Buyer against any defects or shortfalls in the Machinery.
- (iv) The Supplier hereby undertakes to indemnify the Buyer against any infringement of any intellectual property rights in respect of the Machinery.

J. Termination.

The Buyer has the right to terminate this Agreement forthwith in case of any breach of this Agreement or breach of any covenants there under.

K. Effect of non-conformity with Agreement:

Notwithstanding anything contained hereof, it is hereby agreed that the failure by the Supplier to perform any material part of this Agreement shall entitle the Buyer at its option either within 30 days after delivery thereof to reject the Machinery and repudiate the Agreement or to retain the Machinery subject to right to compensation or damages for breach of this Agreement.

L. Lien:

The Supplier shall have lien on the Machinery until payment in full is made to it under this Agreement.

M. Force Majeure:

- (i) The term "Force Majeure" as employed herein shall mean acts of God, strikes, lockout or other industrial disturbances, acts of public enemy, wars, blockades, insurrection, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosions and any other similar events, not within the control of either Party and which by the exercise of due diligence neither Party is able to overcome.
- (ii) If either Party is temporarily unable by reason of Force Majeure or the laws or regulations of Pakistan to meet any of its obligations under the Agreement, and if such Party gives to the other Party written notice, of the event within fifteen (15) days

after its occurrence, such obligations of the Party, as it is unable to perform by reason of the event, shall be suspended for as long as the inability continues. Neither Party shall be liable to the other Party for loss or damage sustained by such other Party arising from any event referred to as Force Majeure or delays arising from such event.

- (v) Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or such Party's Sub consultants or agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected to both (A) take into account at the time of the conclusion of this Agreement and (B) avoid or overcome in the carrying out of its obligations hereunder.

N. Waiver.

The failure of any Party to enforce at any time, one or more of the conditions of this Agreement or Schedules attached herewith, shall not, in itself operate or to be construed as a waiver of such term(s) or condition(s) or, of the right of the other party to enforce each and every term and condition of this Agreement.

O. Severability & conflict.

(i) If any term or provision of this Agreement by virtue of applicable law or is held by a court or any other authority of competent jurisdiction to be invalid, void, unenforceable or against the public policy, the rest of the Agreement will remain in full force and effect and will, in no way be adversely affected, provided, that such term or provision does not render the performance of the Parties material obligations impracticable or impossible.

(ii) This Agreement along with Schedules form entire Agreement, however in case of any conflict between the terms and clauses of the Agreement and Schedules, the terms and clauses of the Agreement shall have overriding effect.

P. Arbitration

In case, any difference or dispute arises between the Parties in respect of the true meaning, scope, import and/ or interpretation of any provision of this Agreement and all matters related thereto shall be resolved through arbitration. The arbitration shall be conducted in accordance with the Arbitration Act, 1940 or any statutory modification or re-enactment thereof. The venue of Arbitration shall be at Karachi. Arbitration shall be a condition precedent to any other action at law. The Supplier shall continue the performance of its obligations under this Agreement, during the pendency of the aforesaid arbitration.

Q. Jurisdiction.

The Parties agree that for the purposes of Jurisdiction, this Agreement shall be deemed to have been made and performed at Karachi and the Parties agree that the courts at Karachi shall have sole jurisdiction over all disputes that may arise under this Agreement.

R. Entire Agreement

This Agreement and Schedules attached herewith, contains the entire Agreement between the Parties hereto with respect to the subject matter hereof, and supersedes all agreements(s), understandings and undertaking(s), if any, of the Parties pertaining to the subject matter of this Agreement.

S. Applicable Laws

This Agreement shall, in all respects, be read and construed and shall operate in conformity with the laws of Pakistan.

T. Amendment

No variation in or modifications to the terms of the Agreement shall be made, except by a written amendment signed by the Parties hereto.

U. Integrity Pact:

Integrity pact will be sign between Supplier & Buyer, which is an essential part of this Agreement.

V. Guarantee:

- iii. The Supplier give guarantee to the Buyer that the specifications of Machinery and Services supplied shall as per Schedule, shall be first class in every particular case, and shall be free from defects.
- iv. The Supplier further give guarantee to Buyer that all Machinery and supplies furnished by the Supplier will be new, merchantable of the most suitable grade and fit for their intended purpose.

W. Warranty

- i. The Supplier further warrants that the services to be carried out under the Agreement will conform to generally accepted professional standards and engineering principles in Pakistan.
- ii. The Supplier shall provide twelve (12) months warranty for Machinery starts after issuance of Final Acceptance from Buyer or 13 months from the date of delivery of equipment at site, which comes first.
- iii. Warranty is against manufacturing defects, faulty design and workman ship. Warranty shall not cover any electronic, controller, drive cards and servo motor and any type of mishandling at buyer's end.
- iv. The Buyer shall promptly notify the Supplier in writing of any claim arising under the Warranty.

- v. Upon receipt of such notice, the Supplier shall promptly but not later than seven working days of such request, respond in writing about Annexure of repairs and replacement.
- vi. If the Supplier, after having been notified, fails to remedy the defects in accordance with the Agreement, the Buyer may proceed to take such remedial action as may be necessary, at the Supplier's expense. The Supplier's warranty pursuant to the Clause is without prejudice to any other rights or remedies, which the Buyer may have against the Supplier under the Agreement.

X. Transfer of Title

The title of ownership of Machinery under the Agreement shall be passed to the 'Buyer' at the time the Machinery shall be delivered, installed at 'Site'. The transfer of title shall not be construed to mean acceptance of the supplies and the Supplier shall continue to be responsible for the quality and compliance with the Specifications, until final acceptance and fulfillment of the warranty under clause K of the agreement.

Y. Inspection & Test:

- i. The purpose of the inspection is to verify and confirm that the Machinery are in accordance with Specification stated in Schedule
- ii. The Buyer will nominate inspection & technical experts for the inspection of Machinery at 'Site'. The Buyer or its nominees shall have the right to inspect and/or to test the Machinery to confirm their conformity to the specifications.
- iii. If any inspected or tested Machinery fail to conform to the specifications, the Company may reject them and the Supplier shall either replace the rejected Machinery or make all alternations necessary to meet the requirements of the specifications, to the satisfaction of the Buyer free of cost.

Z. Notices

Any notice given by any of the Parties hereto shall be sufficient only if in writing and delivered through registered mail or courier, on the following address:

To: Buyer

M/S KARACHI TOOLS, DIES & MOULDS CENTRE

Sector # 38, NC NO. 24, Korangi Creek Industrial Park, adjacent to Pakistan Refinery Limited, Korangi Creek Industrial Area, Korangi Creek Road, Korangi, Karachi, Pakistan.

To: Supplier

or to such other address as either of these Parties shall designate by notice given as required herein. Notices shall be effective when delivered.

IN WITNESS WHEREOF, the parties have executed this Agreement, in two (2) identical counterparts, each of which shall be deemed as original, as of the day and year first above written.

FOR AND ON BEHALF OF

FOR AND ON BEHALF OF

Supplier

Buyer

Mr. _____
C.E.O

Mr. _____
C.E.O

Company Seal:

CompanySeal:

Witnesses:

1. _____

2. _____

**[Download Annexure “D” Financial Proposal
Should be Printed on A3 Paper](#)**