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| TRADE DEVELOPMENT AUTHORITY OF PAKISTAN  GOVERNMENT OF PAKISTAN |
| BIDDING DOCUMENTS |
| SERVICES OF AUDITORS FOR  SCRUTINY OF CLAIMS REGARDING GRANT OF SUBSIDY ON LAB TESTING CLAIMS OF PAKISTAN LEATHER GARMENTS MANUFACTURERS & EXPORTERS ASSOCIATION (PLGMEA) FOR THE PERIOD 2015-16 ONWARDS. |
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**PART ONE**

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**SECTION-I**

**Invitation of Bids**

**HIRING SERVICES OF AUDITORS FOR SCRUTINY AND VERIFICATION OF CLAIMS REGARDING GRANT OF SUBSIDY ON LAB TESTING CLAIMS OF PAKISTAN LEATHER GARMENTS MANUFACTURERS & EXPORTERS ASSOCIATION (PLGMEA) FOR THE PERIOD 2015-16 ONWARDS.**

Ministry of Commerce, Government of Pakistan has decided to Grant 75% subsidy on Lab Testing of Pakistan Leather Garments Manufacturers & Exporters Association (PLGMEA) for the period starting from year 2015-16, as per the laid down policy.

2. TDAP intends to hire services of Audit Firms of ‘Category A’, as listed on the State Bank of Pakistan’s Panel of Auditors, which would be required to pre-audit / scrutinize the claims received by TDAP from All Pakistan Leather Garments Manufacturers & Exporters Association (PLGMEA), as per the policy.

3. Bidding documents and other related information for the purpose can be obtained, on written request along with Pay Order of Rs. 5,000/- (non-refundable) in favor of TDAP, Karachi”, during working hours from Textile and Leather Division of TDAP at the address given below. The firm will submit their sealed Proposals containing Technical & Financial proposals in separate envelops.

4. Financial proposals should accompany a bid security equivalent to two per cent (2%) of the bid amount in the form specified in the Bidding documents.

5. Single Stage Two Envelope Procedure would be used for Open Competitive Bidding.

6. Sealed tender documents shall be submitted latest by 2:30 p.m. on 22nd June**, 2023** with the Textile and Leather Division of TDAP at the address given below and shall be opened on the same day **at 3 p.m.** in the presence of representatives of the participating firms.

7. Trade Development Authority of Pakistan reserves the right to reject any or all bids and to annul the bidding process at any time as per rules.

Deputy Manager

(T&L) Division

Tel: 021-99207200, Fax: 021-99201520

# SECTION II: Instructions to Bidders

## A. Introduction

### 1. Source of Funds

1.1 The Procuring Agency has arranged funds from EDF towards the cost of payment to the Auditors for services to be rendered / performed by them for scrutiny, verification and recommendations if any of the claims for Grant of subsidy of Claims to Pakistan Leather Garments Manufacturers & Exporters Association (PLGMEA) for the season starting from 2015-16 onwards (as given in the Bid Data Sheet) and it is intended that part of the proceeds of these funds will be applied to eligible payments under the contract (as given in the Bid Data Sheet) for which these bidding documents are issued.

1.2 Payment from the Funds will be made only at the orders of the Procuring Agency and shall be subject in all respect to the terms and conditions of the agreement. No party other than the Procuring Agency shall derive any rights from the Project Agreement or have any claim to the allocated fund proceeds.

### 2. Eligible Bidders

2.1 This Invitation for Bids is open to only those firms listed at Category “A” of the State Bank of Pakistan providing Audit / accounting facilities in Pakistan and abroad.

2.2 Bidders shall not be eligible to bid if they are under a declaration of ineligibility for corrupt and fraudulent practices issued by any government organization in accordance with ITB sub clause 34.1

### 3. Eligible Goods and Services

3.1 All goods and related services to be supplied under the contract shall have their origin in eligible source countries, defined in the Public Procurement Rules, 2004 and it’s Bidding Documents, and all expenditures made under the contract will be limited to such goods and services.

### 4. Cost of Bidding

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

## B. The Bidding Documents

### 5. Content of Bidding Documents

5.1 The bidding documents include:

(a) Instructions to Bidders (ITB)

(b) Bid Data Sheet

(c) Schedule of Requirements

(d) Technical Specifications

(e) Bid Form and Price Schedules

(f) Bid Security Form

(g) Contract Form

(h) Performance Security Form

(i) General Conditions of Contract (GCC)

(j) Special Conditions of Contract (SCC)

5.2 The Bidder is expected to examine all instructions, forms, terms, and specifications in the bidding documents. Failure to furnish all information required by the bidding documents or to submit a bid not substantially responsive to the bidding documents in every respect will be at the Bidder’s risk and may result in the rejection of its bid.

### 6. Clarification of Bidding Documents

6.1 An interested Bidder requiring any clarification of the bidding documents may notify the Procuring agency in writing. The Procuring agency will respond in writing to any request for clarification of the bidding documents which it receives no later than three working days prior to the deadline for the submission of bids prescribed in the Bid Data Sheet. Written copies of the Procuring agency’s response (including an explanation of the query but without identifying the source of inquiry) will be sent to all interested bidders that have received the bidding documents

### 7. Amendment of Bidding Documents

7.1 At any time prior to the deadline for submission of bids, the

Procuring agency, for any reason, whether at its own initiative or in response to a clarification requested by an interested Bidder, may modify the bidding documents by amendment.

7.2 All interested bidders that have received the bidding documents will be notified of the amendment in writing, and will be binding on them.

7.3 In order to allow interested bidders reasonable time in which to take the amendment into account in preparing their bids, the Procuring agency, at its discretion, may extend the deadline for the submission of bids.

## C. Preparation of Bids

### 8. Language of Bid

8.1 The bid prepared by the Bidder, as well as all correspondence and documents relating to the bid exchanged by the Bidder and the Procuring agency shall be written in the language specified in the Bid Data Sheet. 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 language specified in the Bid Data Sheet, in which case, for purposes of interpretation of the Bid, the translation shall govern.

### 9. Documents Comprising the Bid

9.1 The bid prepared by the Bidder shall comprise the following components:

1. A Financial Bid
   * A Bid Form and a Price Schedule completed in accordance with ITB Clauses 10, 11, and 12;
   * Bid security furnished in accordance with ITB Clause 15.

### 10. Bid Form

10.1 The Bidder shall complete the Bid Form and the appropriate Price Schedule furnished in the bidding documents, indicating the goods/ services to be supplied, a brief description of the goods / services.

### 11. Bid Prices

11.1 The Bidder shall indicate on the appropriate Price Schedule the unit prices (where applicable) and total bid price of the services &goods it proposes to supply under the contract.

11.2 Unless otherwise stipulated in the Conditions of Contract, prices quoted by the bidder shall remain fixed during the bidder’s performance of the Contract and not subject to variation on any account. The price of other (incidental) services, if any, listed in the Bid Data Sheet, will be entered separately.

11.3 The Bidder’s separation of price components in accordance with ITB Clause 11.2 above will be solely for the purpose of facilitating the comparison of bids by the Procuring agency and will not in any way limit the Procuring agency’s right to contract on any of the terms offered.

11.4 Prices quoted by the Bidder shall be fixed during the Bidder’s performance of the contract and not subject to variation on any account, unless otherwise specified in the Bid Data Sheet. A bid submitted with an adjustable price quotation will be treated as nonresponsive and will be rejected, pursuant to ITB Clause 24.

### 12. Bid Currencies

12.1 Prices shall be quoted in Pak Rupees.

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### 13. Documents Establishing Bidder’s Eligibility and Qualification

13.1 Pursuant to ITB Clause 9, the Bidder shall furnish, as part of its bid, documents establishing the Bidder’s eligibility to bid and its qualifications to perform the contract if its bid is accepted.

13.2 The documentary evidence of the Bidder’s eligibility to bid shall establish to the Procuring agency’s satisfaction that the Bidder, at the time of submission of its bid, is legally established in Pakistan.

13.3 The documentary evidence of the Bidder’s qualifications to perform the contract if its bid is accepted shall establish to the Procuring agency’s satisfaction:

1. Bidder/Manufacturer must possess and provide evidence of its capability, experience and qualification criteria as stipulated in Bidding Documents and Bid Data Sheet

(b) that, the Bidder has the financial and technical capability necessary to perform the contract;

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### 14. Documents Establishing Goods’ and services Eligibility and Conformity to Bidding Documents

14.1 Pursuant to ITB Clause 9, the Bidder shall furnish, as part of its bid, documents establishing the eligibility and conformity to the bidding documents of all goods and services which the Bidder proposes to supply under the contract.

14.2 The documentary evidence of conformity of the goods and services to the bidding documents may be in the form of literature, drawings, and data, and shall consist of:

(a) a detailed description of the essential technical and performance characteristics of the goods and services;

(b) an item-by-item commentary on the Procuring Agency’s Technical Specifications/ TORs demonstrating substantial responsiveness of the goods and services to those specifications, or a statement of deviations and exceptions to the provisions of the Technical Specifications.

14.3 For purposes of the commentary to be furnished pursuant to ITB Clause 14.2(b) above, the Bidder shall note that standards for workmanship, material, and equipment, as well as references to brand names or catalogue numbers designated by the Procuring agency in its Technical Specifications, are intended to be descriptive only and not restrictive. The Bidder may substitute alternative standards, brand names, and/or catalogue numbers in its bid, provided that it demonstrates to the Procuring agency’s satisfaction that the substitutions ensure substantial equivalence to those designated in the Technical Specifications.

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### 15. Bid Security

15.1 Pursuant to ITB Clause 9, the Bidder shall furnish, as part of its bid, a bid security in the amount specified in the Bid Data Sheet.

15.2 The bid security is required to protect the Procuring agency against the risk of Bidder’s conduct which would warrant the security’s forfeiture, pursuant to ITB Clause 15.7.

15.3 The bid security shall be in Pak. Rupees and shall be in one of the following forms:

(a) Each bidder shall furnish, as part of his bid, at the option of the bidder, a Bid Security in the amount stipulated in Bidding Data in Pak. Rupees in the form of Deposit at Call or a Bank Guarantee issued by a Scheduled Bank in Pakistan or an insurance company having at least AA rating from PACRA/JCR in favor of the Employer / Procuring Agency, valid for a period up to twenty-eight (28) days beyond the bid validity date**.**

(b) Irrevocable en-cashable on-demand Bank call-deposit.

15.4 Any bid not secured in accordance with ITB Clauses 15.1 and15.3 will be rejected by the Procuring Agency as non-responsive­, pursuant to ITB Clause 24.

15.5 The bid securities of unsuccessful bidders will be returned upon award of contract to the successful bidder or on the expiry of validity of Bid Security whichever is earlier.

15.6 The successful Bidder’s bid security will be discharged upon the Bidder signing the contract, pursuant to ITB Clause 32, and furnishing the performance security, pursuant to ITB Clause 33.

15.7 The bid security may be forfeited:

(a) if a Bidder withdraws its bid during the period of bid validity specified by the Bidder on the Bid Form; or

(b) in the case of a successful Bidder, if the Bidder fails:

(i) to sign the contract in accordance with ITB Clause32;

**or**

(ii) to furnish performance security in accordance with ITB Clause 33.

### 16. Period of Validity of Bids

16.1 Bids shall remain valid for the period specified in the Bid Data Sheet after the date of bid opening prescribed by the Procuring agency, pursuant to ITB Clause 19. A bid valid for a shorter period shall be rejected by the Procuring agency as nonresponsive.

16.2 In exceptional circumstances, the Procuring agency may solicit the Bidder’s consent to an extension of the period of validity. The request and the responses thereto shall be made in writing. The bid security provided under ITB Clause 15 shall also be suitably extended. A Bidder may refuse the request without forfeiting its bid security. A Bidder granting the request will not be required nor permitted to modify its bid, except as provided in the bidding document.

### 17. Format and Signing of Bid

17.1 The Bidder shall prepare an original and the number of copies of the bid indicated in the Bid Data Sheet, clearly marking each “ORIGINAL BID” and “COPY OF BID,” as appropriate. In the event of any discrepancy between them, the original shall govern.

17.2 The original and the copy or copies of the bid shall be typed or written in indelible ink and shall be signed by the Bidder or a person or persons duly authorized to bind the Bidder to the contract. All pages of the bid, except for un-amended printed literature, shall be initialed by the person or persons signing the bid.

17.3 Any interlineations, erasures, or overwriting shall be valid only if they are initialed by the person or persons signing the bid.

17.4 The Bidder shall furnish information as described in the Form of Bid on commissions or gratuities, if any, paid or to be paid to agents relating to this Bid, and to contract execution if the Bidder is awarded the contract.

## D. Submission of Bids

### 18. Sealing and Marking of Bids

18.1 The Bidder shall seal the original and each copy of the bid in separate envelopes, duly marking the envelopes as “ORIGINAL “and “COPY.” The envelopes shall then be sealed in an outer envelope.

18.2 The inner and outer envelopes shall:

(a) be addressed to the Procuring agency at the address given in the Bid Data Sheet; and

(b) bear the Project name indicated in the Bid Data Sheet, the Invitation for Bids (IFB) title and number indicated in the Bid Data Sheet, and a statement: “DO NOT OPENBEFORE,” to be completed with the time and the date specified in the Bid Data Sheet, pursuant to ITB Clause 2.2.

18.3 The inner envelopes shall also indicate the name and address of the Bidder to enable the bid to be returned unopened in case it is declared “late”.

18.4 If the outer envelope is not sealed and marked as required by ITB Clause 18.2, the Procuring agency will assume no responsibility for the bid’s misplacement or premature opening.

18.5 Bids submitted through telegraph, telex, fax or e-mail shall not be considered

### 19. Deadline for Submission of Bids

19.1 Bids must be received by the Procuring agency at the address specified under ITB Clause 18.2 no later than the time and dates pacified in the Bid Data Sheet.

19.2 The Procuring agency may, at its discretion, extend this deadline for the submission of bids by amending the bidding documents in accordance with ITB Clause 7, in which case all rights and obligations of the Procuring agency and bidders previously subject to the deadline will thereafter be subject to the dead line as extended.

### 20. Late Bids

20.1 Any bid received by the Procuring agency after the deadline for submission of bids prescribed by the Procuring agency pursuant to ITB Clause 19 will be rejected and returned unopened to the Bidder.

### 21. Modification and Withdrawal of Bids

21.1 The Bidder may modify or withdraw its bid after the bid’s submission, provided that written notice of the modification, including substitution or withdrawal of the bids, is received by the Procuring agency prior to the deadline prescribed for submission of bids.

21.2 The Bidder’s modification or withdrawal notice shall be prepared, sealed, marked, and dispatched in accordance with the provisions of ITB Clause 18. by a signed confirmation copy, postmarked no later than the deadline for submission of bids.

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

21.4 No bid may be withdrawn in the interval between the dead line for submission of bids and the expiration of the period of bid validity specified by the Bidder on the Bid Form. Withdrawal of a bid during this interval may result in the Bidder’s forfeiture of its bid security, pursuant to the ITB Clause 15.7.

## E. Opening and Evaluation of Bids

### 22. Opening of Bids by the Procuring agency

22.1 The Procuring agency will open all bids in the presence of bidders’ representatives who choose to attend, at the time, on the date, and at the place specified in the Bid Data Sheet. The bidders’ representatives who are present shall sign attendance sheet evidencing their attendance.

22.2 The bidders’ names, bid modifications or withdrawals, bid prices, discounts, and the presence or absence of requisite bid security and such other details as the Procuring agency, at its discretion, may consider appropriate, will be announced at the opening. No bid shall be rejected at bid opening, except for late bids, which shall be returned unopened to the Bidder pursuant to ITB Clause 20.

22.3 Bids (and modifications sent pursuant to ITB Clause 21.2) that are not opened and read out at bid opening shall not be considered further for evaluation, irrespective of the circumstances. Withdrawn bids will be returned unopened to the bidders.

22.4 The Procuring agency will prepare minutes of the bid opening.

### 23. Clarification of Bids

23.1 During evaluation of the bids, the Procuring agency may, at its discretion, ask the Bidder for a clarification of its bid. Their quest for clarification and the response shall be in writing, and no change in the prices or substance of the bid shall be sought, offered, or permitted.

### 24. Preliminary Examination

24.1 The Procuring agency will examine the bids to determine whether they are complete, whether any computational errors have been made, whether required sureties have been furnished, whether the documents have been properly signed, and whether the bids are generally in order.

24.2 Arithmetical errors will be rectified on the following basis. If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail, and the total price shall be corrected. If the Supplier does not accept the correction of the errors, its bid will be rejected, and its bid security may be forfeited. If there is a discrepancy between words and figures, the amount in words will prevail.

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

24.4 Prior to the detailed evaluation, pursuant to ITB Clause 25 the Procuring agency will determine the substantial responsiveness of each bid to the bidding documents. For purposes of these Clauses, a substantially responsive bid is one which conforms to all the terms and conditions of the bidding documents without material deviations. Deviations from, or objections or reservations to critical provisions, **such as** those concerning Bid Security (ITB Clause 15), Applicable Law (GCC Clause 30), and Taxes and Duties (GCC Clause 32), will be deemed to be a material deviation. The Procuring agency’s determination of a bid’s responsiveness is to be based on the contents of the bid itself without recourse to extrinsic evidence.

24.5 If a bid is not substantially responsive, it will be rejected by the Procuring agency and may not subsequently be made responsive by the Bidder by correction of the nonconformity.

### 25. Evaluation and Comparison of Bids

25.1 The Procuring agency will evaluate and compare the bids which have been determined to be substantially responsive, pursuant to ITB Clause 24.

25.2 Bids will be evaluated for complete scope of works. The prices will be compared on the basis of the Evaluated Bid Price pursuant to following:

(a) Evaluation of Financial Bid

It will be examined in detail whether the bids comply with the commercial/contractual conditions of the Bidding Documents. It is expected that no material deviation/stipulation shall be taken by the bidders.

The Procuring agency’s evaluation of a bid will be on delivered duties/ taxes paid.

25.3 The Procuring agency’s evaluation of a financial bid will take into account, in addition to the bid price quoted in accordance with ITB Clause 11.2, the following factors:

(a) incidental costs, any correction for arithmetic errors, making an appropriate price adjustment for any other acceptable variation or deviation and discount, if any, offered by the bidders as also read out and recorded at the time of bid opening.

(b) Deviations in payment schedule from that specified in the Special Conditions of Contract; (if any and acceptable to the Employer).

(c) Other specific criteria indicated in the Bid Data Sheet.

25.4 For factors retained in the Bid Data Sheet pursuant to ITB 25.3, the following quantification methods will be applied:

(a) Price Adjustment for Technical Compliance

The cost of making good any deficiency resulting from technical noncompliance will be added to the Corrected Total Bid Price for comparison purposes only. The adjustments will be applied taking the highest price quoted by other bidders being evaluated in detail in their original Bids for corresponding item. In case of non-availability of price from other bidders, the price will be estimated by the Procuring Agency.

(b) Price Adjustment for Commercial Compliance

The cost of making good any deficiency resulting from any quantifiable variations and deviations from the Bid Schedules and Conditions of Contract, as determined by the Procuring Agency will be added to the Corrected Total Bid Price for comparison purpose only. Adjustment for commercial compliance will be added to the Corrected Total Bid Prices.

(c) Price Adjustment for Deviation in Terms of Payments

Bidders shall state their bid price for the payment schedule outlined in the SCC. Bids will be evaluated on the basis of this base price. Bidders are, however, permitted to state an alternative payment schedule and indicate the reduction in bid price they wish to offer for such alternative payment schedule. The Procuring agency may consider the alternative payment schedule offered by the selected Bidder.

### 26. Contacting the Procuring agency

26.1 Subject to ITB Clause 23, no Bidder shall contact the Procuring agency on any matter relating to its bid, from the time of the bid opening to the time the contract is awarded. If the Bidder wishes to bring additional information to the notice of the Procuring agency, it should do so in writing.

26.2 Any effort by a Bidder to influence the Procuring agency in its decisions on bid evaluation, bid comparison, or contract award may result in the rejection of the Bidder’s bid.

## F. Award of Contract

### 27. Post qualification

27.1 In the absence of prequalification, the Procuring agency will determine to its satisfaction whether the Bidder that is selected as having submitted the lowest evaluated responsive bid is qualified to perform the contract satisfactorily, in accordance with the criteria listed in ITB Clause 13.3.

27.2 The determination will take into account the Bidder’s financial, technical, and production capabilities. It will be based upon an examination of the documentary evidence of the Bidder’s qualifications submitted by the Bidder, pursuant to ITB Clause13.3, as well as such other information as the Procuring agency deems necessary and appropriate.

27.3 An affirmative determination will be a prerequisite for award of the contract to the Bidder. A negative determination will result in rejection of the Bidder’s bid, in which event the Procuring agency will proceed to the next lowest evaluated bid to make a similar determination of that Bidder’s capabilities to perform satisfactorily

### 28. Award Criteria

28.1 Subject to ITB Clause 30, the Procuring agency will award the contract to the successful Bidder whose bid has been determined to be substantially responsive and has been determined to be the lowest evaluated bid, provided further that the Bidder is determined to be qualified to perform the contract satisfactorily.

### 29. Procuring agency’s Right to Vary Quantities at Time of Award

29.1 The Procuring agency reserves the right at the time of contract award to increase or decrease, by the percentage indicated in the Bid Data Sheet, the quantity of goods and services originally specified in the Schedule of Requirements without any change in unit price or other terms and conditions

### 30. Procuring agency’s Right to accept any Bid and to Reject any or All Bids

30.1 The Procuring agency reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids at any time prior to contract award, without thereby incurring any liability to the affected Bidder or bidders and in accordance with provisions of Public Procurement Rules 2004.

### 31. Notification of Award

31.1 Prior to the expiration of the period of bid validity, the Procuring agency will notify the successful Bidder in writing by registered letter or by cable, to be confirmed in writing by registered letter, that its bid has been accepted.

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

31.3 Upon the successful Bidder’s furnishing of the performance security pursuant to ITB Clause 33, the Procuring agency will promptly notify each unsuccessful Bidder and will discharge its bid security, pursuant to ITB Clause 15.

### 32. Signing of Contract

32.1 At the same time as the Procuring agency notifies the successful Bidder that its bid has been accepted, the Procuring agency will send the Bidder the Contract Form provided in the bidding documents, incorporating all agreements between the parties.

32.2 Within ten (10) days of receipt of the Contract Form, the successful Bidder shall sign and date the contract and return it to the Procuring agency.

### 33. Performance Security

33.1 Within twenty (20) days of the receipt of notification of award from the Procuring agency, the successful Bidder shall furnish the performance security in accordance with the Conditions of Contract, provided in the bidding documents, or in another form acceptable to the Procuring agency.

33.2 Failure of the successful Bidder to comply with the requirement of ITB Clause 32 or ITB Clause 33.1 shall constitute sufficient grounds for the annulment of the award and forfeiture of the bid security, in which event the Procuring agency may make the award to the next lowest evaluated Bidder or call for new bids.

### 34. Corrupt or Fraudulent Practices

34.1 The Government of Pakistan requires that Procuring agency as well as Bidders/Suppliers/Contractors under Government-financed contracts, observe the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy and Rules made there under, PRRA and TDAP:

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

(i) “corrupt practice” means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution; and

(ii) “Fraudulent practice” means a misrepresentation of facts in order to influence procurement process or the execution of a contract to the detriment of the Procuring agency, and includes collusive practice among Bidders (prior to or after bid submission) designed to establish bid prices at artificial noncompetitive levels and to deprive the Procuring agency of the benefits of free and open competition;

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

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

34.2 Furthermore, Bidders shall be aware of the provision stated in sub-clause 5.4 and sub-clause 24.1 of the General Conditions of Contract.

# SECTION III: Bid Data Sheet

The following specific data for the goods to be procured shall complement, supplement, or amend the provisions in the Instructions to Bidders (ITB) Part One. Whenever there is a conflict, the provisions herein shall prevail over those in ITB.

|  |  |
| --- | --- |
| **Introduction** | |
| **ITB 1.1** | Trade Development Authority of Pakistan, Government of Pakistan |
| **ITB 1.1** | Textile & Leather Division |
| **ITB 1.1** | Services of Auditors / Chartered Accountants for pre-audit / Scrutiny and verification of Claims related to grant of subsidy on Lab Testing Claims to Pakistan Leather Garments Manufacturers & Exporters Association for year 2018 and onwards as per policy |
| **ITB 4.1** | Trade Development Authority of Pakistan |
| **ITB 6.1** | Date 24th January , 2022 |
| **ITB 8.1** | English |

|  |  |
| --- | --- |
| **Bid Price and Currency** | |
| **ITB 11.2** | The Price quoted shall be inclusive of all costs, duties and taxes related to delivery of services and materials/ products as defined in the TORs/ Technical Specification and Financial Bid |
| **ITB 11.4** | Price shall be fixed |

|  |  |
| --- | --- |
| **Preparation and Submission of Bids** | |
| **ITB 15.1& 15.3 (a)** | 2% of the bid price |
| **ITB 16.1** | 60 days from the last date of submission of bids |
| **ITB 17.1** | Three copies |
| **ITB 18.2 (a)** | Deputy Director (Textile & Leather Division), TDAP, Karachi |
| **ITB 18.2 (b)** | Services of Auditors / Chartered Accountants for pre-audit / scrutiny of claims related to Grant of Subsidy to Pakistan Leather Garments Manufacturers & Exporters Association for the period from 18th March 2021 onwards **ITB # *NO.*** ***TDAP-52(45)/AM/PD-1/2017*** |
| **ITB 19.1** | 2:30 p.m. on 24th January, 2022, at 3rd Floor, Conference room, TDAP, Karachi ( Tentative) |
| **ITB 22.1** | 3:00 pm on 24th January , 2022, at 3rd Floor, Conference room, TDAP, Karachi (Tentative) |

|  |  |
| --- | --- |
| **Bid Evaluation** | |
| **ITB 25.3** | 25.3 (a), (b) and (c) |

|  |  |
| --- | --- |
| **Contract Award** | |
| **ITB 29.1** | Percentage for quantity increase or decrease.  The Procuring agency also reserves the right at the time of contract award to not order or exclude any items, as deemed appropriate, the services originally specified in the Schedule of Requirements without any change. |

# SECTION IV: Schedule of Requirements/ Terms of Reference

Whereas, the TDAP requires the services of firm of Chartered Accountants for the 100% pre-audit, scrutiny and verification, in order to ensure genuineness of all Lab Testing claims for grant of subsidy to Pakistan Leather Garments Manufacturers & Exporters Association (PLGMEA) for the period from 2015-16 onwards.

Auditor has agreed to provide the services as set out in this agreement. The copy of Public Notice is attached to this Agreement.

The Public Notice prescribes the following requirements for the admissibility of grant of subsidy on Lab Testing claims to Pakistan Leather Garments Manufacturers & Exporters Association (PLGMEA) for the period from 2015-16 onwards.

Given below is the procedure governing the program of the Government of Pakistan to grant of subsidy on Lab Testing Claims to Pakistan Leather Garments Manufacturers & Exporters Association (PLGMEA) for the period from 2015-16 onwards.

**1. Policy and Its objective**

The EDF Board in its **19thXXXXXXXX** meeting (18.3.**2021XXXXXXX**) took the decision to grant of subsidy Pakistan Leather Garments Manufacturers & Exporters Association (PLGMEA) on Lab Testing for the period from 18th March 2021 onwards; and approved an amount of Rs. 60 million.

\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*

**2. Role and Responsibility of the Association**:

The Pakistan Leather Garments Manufacturers & Exporters Association (PLGMEA) will duly verify/recommend the documents of their member exporters to TDAP / auditors and will give undertaking that the Association has duly assessed the eligibility of these claims for the above program of the Government, after verifying the documents given, claim-wise.

**3. Eligibility**

1. Only those exporters will be eligible for payment of 75% of the lab charges where the products are eligible for subsidy and necessary export have been made by the exporters.
2. List of eligible products along with their product description and HS Code are available on the website of TDAP against this public notice.
3. Amount of subsidy availed by each exporter under this program will not exceed 1% of the total value of its annual exports during the year 2019-20 and likewise for each coming fiscal year till all the funds are exhausted, as per the data obtained from PRAL.
4. Rough estimate of the number of claims and the number of the exporters availing the benefit is around 7,000 and 70 exporters respectively.

**4. Documentary requirements**

1. The Invoices of foreign labs will be counterchecked from the payments made to them from the exporters’ banks duly verified by PLGMEA.
2. The Invoices of local labs will be verified by the Auditors along-with payments made to them by the exporters for the purpose.
3. TDAP will provide CD of exporters’ data to the Auditors containing details of their shipments as collected from the Customs / PRAL for purpose of determination that only eligible H.S. Codes get subsidy; that amount of subsidy does not exceed 1% of the total exports of a party for the year 2019-20 and likewise for each coming fiscal years till all the funds are exhausted and that the exporter whose 60% of the exports consisted of the finished leather (eligible codes) only gets the subsidy.
4. Letter of recommendation of the association (PLGMEA).

**5. Procedure for scrutiny of claims**

I) A claim potentially eligible for support under this program will go through a 100% pre-audit for which auditors will be selected from the market through competitive and open bidding; only those auditors will be eligible for participation in the bidding process who are on the Category-A list of the State Bank of Pakistan.

II) Pakistan Leather Garments Manufacturers & Exporters Association (PLGMEA) will collect the claims from exporters and conduct a preliminary scrutiny of these claims and forward only those claims to the government agency administering the scheme which are eligible for the support as per the requirements of this scheme. (PLGMEA will also provide a list of claims not being recommended with the reasons recorded therein).

III) Claims will be processed on first come first serve basis. Any claim found to be deficient; will join the queue afresh after removal of the deficiency. Those claims which do not qualify under the scheme will be returned to the concerned exporters in original (through the association) giving reasons as to why the claims were not eligible for payment.

IV) Those claims which qualify the audit process will be sent to Trade Development Authority of Pakistan (TDAP) by the auditors. The approved amount of Rs.60 million will be released through a joint account to be opened for the purpose under reference, with joint signature of a designated officer/representative of PLGMEA and TDAP. Necessary crossed cheques will be issued in the name of the firm whose claims have been approved.

V) However, in the case of suspicious claims, where the claim amount is extraordinary etc., or there are any doubts about the authenticity of the claim, the auditors will be duly authorized to seek more documents from the exporter (Association); or may even call the exporter to the office of Trade Development Authority of Pakistan and open the concerned GD document in front of the auditor and officer of the TDAP.

VI) The cheques will only be issued for the eligible claims , which have been approved by the auditors in terms of priority as mentioned in para 4 (III) and record thereof will be maintained by TDAP; particular care would be taken so that the priority is not broken regardless of the availability of the funds in the account.

VII) The Auditor to be selected for the job of audit of the claims under reference will be paid out of funds mentioned in the joint account above. However, partially processed cases, where the auditor has raised some objection/ query, will only be paid after the objection /query has been satisfactorily addressed; and/or the mechanism of the dispute settlement/appeal (given below) has been exhausted regarding the concerned claim.

**6. Dispute settlement / appeal**

Exporters whose claims are rejected either by the association or by the auditors for whatever reasons and they believe that an injustice has been committed against them, could lodge an appeal within one month of such rejections with the head of TDAP who, with the help of 2 members, namely, Chairman of association (PLGMEA), and DG (T&L), TDAP will examine / review the rejected claim afresh under the policy and will render a decision, which will be final and binding on all parties concerned.

**7. Submission of claims to TDAP / auditors**

TDAP will forward these claims to auditors after their receipt from the Association (PLGMEA) with a covering letter mentioning the number of claims and the number of shipments / exporters involved; if these claims are received in batches, then they will be duly referenced and linked-up (in TDAP’s letter) for purpose of subsequent follow-up.

**8. Appointment of auditors and their role in scrutiny of documents and determination of eligibility of a claim**

TDAP after publication of this public notice will select the qualified auditors falling into the Category-A list of State Bank of Pakistan calling bids in this regard through national press describing in brief the nature of the job, documents and procedure for scrutiny / assessment of claims etc., in terms of this public notice, which the auditors will be required to undertake against fee per claim, payable after the complete scrutiny of the claim, regardless of whether a claim is passed or failed. **Auditors will be paid** **from the amount of Rs. 60 MILLION** sanctioned for the scheme by the EDF against payment procedure to be settled with them by TDAP in terms of necessary agreement for the job.

**9. Validity of the procedure \*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\***

This procedure will be valid till funds of Rs.60 Million sanctioned for the purpose is exhausted.

# SECTION V: Technical Specifications

The technical specifications have been listed in the Financial Bid form. The Bidder should correlate the listed technical specification with Schedule of Requirements/ TORs given in Section IV.

# SECTION VI: Sample Forms

### Notes on the Sample Forms

The Bidder shall complete and submit with its bid the **Bid Form** and **Price Schedules** pursuant to ITB Clause 9 and in accordance with the requirements included in the bidding documents.

When requested in the Bid Data Sheet, the Bidder should provide the **Bid Security**, either in the form included hereafter or in another form acceptable to the Procuring agency, pursuant to ITB Clause 15.3.

The **Contract Form**, when it is finalized at the time of contract award, should incorporate any corrections or modifications to the accepted bid resulting from price corrections pursuant to ITB Clause 16, 25 and GCC Clause 17, acceptable deviations (e.g., payments schedule pursuant to ITB Clause 25.4, or quantity variations pursuant to ITB Clause 29. The Price Schedule and Schedule of Requirements deemed to form part of the contract should be modified accordingly.

The **Performance Security** and **Bank Guarantee for Advance Payment** forms should not be completed by the bidders at the time of their bid preparation. Only the successful

Bidder will be required to provide performance security and bank guarantee for advance payment in accordance with one of the forms indicated herein or in another form acceptable to the Procuring agency and pursuant to GCC Clause 7.3 and SCC 11, respectively.

## 1. Bid Form and Price Schedules

Date:

IFB No:

*To: [name and address of Procuring Agency]*

Gentlemen and/or Ladies:

Having examined the bidding documents including Addenda Nos.*[insert numbers],* the receipt of which is hereby duly acknowledged, we, the undersigned, offer to supply and deliver *[description of goods and services]* in conformity with the said bidding documents for the sum of *[total bid amount in words and figures]* or such other sums as may be ascertained in accordance with the Schedule of Prices attached herewith and made part of this Bid.

We undertake, if our Bid is accepted, to deliver the goods and services in accordance with the delivery schedule specified in the Schedule of Requirements.

If our Bid is accepted, we will obtain the guarantee of a bank in a sum equivalent to

\_\_\_\_\_ percent of the Contract Price for the due performance of the Contract, in the form prescribed by the Procuring agency.

We agree to abide by this Bid for a period of *[number]* days from the date fixed for Bid opening under Clause 22 of the Instructions to Bidders, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Until a formal Contract is prepared and executed, this Bid, together with your written acceptance thereof and your notification of award, shall constitute a binding Contract between us.

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

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

Dated this \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 20\_\_\_\_\_\_

*­*

*­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

*[signature] [in the capacity of]*

Duly authorized to sign Bid for and on behalf of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

### (Price Schedule in Pak. Rupees/ Financial Bid

Name of Bidder \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ IB Number \_\_\_\_\_\_\_\_\_\_\_\_\_ Page \_\_\_\_of \_\_\_\_\_\_\_\_\_\_\_

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **S.#** | **Description** | **Approx. Number of claims** | **Rate per unit** | **Total** |
| 1 | Auditors’ fee per claim (inclusive of all pocket charges and taxes) | (5,000) |  |  |
| TOTAL BID AMOUNT WITH ALL TAXES& EXPENSES | | | |  |

Signature of Bidder\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*Note:* The Auditor to be selected for the job of audit of the claims under reference will be paid out of funds mentioned in the joint account above. However, partially processed cases, where the auditor has raised some objection/ query, will only be paid after the objection /query has been satisfactorily addressed; and/or the mechanism of the dispute settlement/appeal (given below) has been exhausted regarding the concerned claim.

## 

## 2. Bid Security Form

Whereas *[name of the Bidder]* (hereinafter called “the Bidder”) has submitted its bid dated *[date of submission of bid]* for the supply of *[name and/or description of the goods]* (hereinafter called “the Bid”).

KNOW ALL PEOPLE by these presents that WE *[name of bank]* of *[name of country]*, having our registered office at *[address of bank]* (hereinafter called “the Bank”), are bound unto *[name of Procuring agency]* (hereinafter called “the Procuring agency”) in the sum of for which payment well and truly to be made to the said Procuring agency, the Bank binds itself, its successors, and assigns by these presents. Sealed with the Common Seal of the said Bank this \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_ 20\_\_\_\_.

THE CONDITIONS of this obligation are:

1. If the Bidder withdraws its Bid during the period of bid validity specified by the Bidder on the Bid Form; or

2. If the Bidder, having been notified of the acceptance of its Bid by the Procuring agency during the period of bid validity:

(a) fails or refuses to execute the Contract Form, if required; or

(b) fails or refuses to furnish the performance security, in accordance with the Instructions to Bidders;

we undertake to pay to the Procuring agency up to the above amount upon receipt of its first written demand, without the Procuring agency having to substantiate its demand, provided that in its demand the Procuring agency will note that the amount claimed by it is due to it, owing to the occurrence of one or both of the two conditions, specifying the occurred condition or conditions.

This guarantee will remain in force up to and including twenty eight (28) days after the period of bid validity, and any demand in respect thereof should reach the Bank not later than the above date.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*[signature of the bank]*

## 3. Contract Form

**AGREEMENT FOR THE PRE-AUDIT OF CLAIMS FOR GRANT** **OF SUBSIDY ON ACCOUNT OF LAB TESTING TO PAKISTAN LEATHER GARMENTS MANUFACTURERS & EXPORTERS ASSOCIATION (PLGMEA) FOR THE PERIOD FROM 2015-16 ONWARDS.**

**1.** THIS AGREEMENT is made at Karachi on this day of\_\_\_\_\_\_\_\_\_\_\_by and between M/s\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Chartered Accountants through its Partner Mr.\_\_\_\_\_\_\_\_\_\_\_\_, Address\_\_\_\_\_\_\_\_\_\_ Karachi, (hereinafter referred as “Auditor” which expression shall include its successors in interest and assign) of the one part.

**AND**

**2.** Trade Development Authority of Pakistan (TDAP) through its Director Mr/Ms. \_\_\_\_\_\_\_, 3rd Floor, Block-A, FTC Building, Shahrah-e-Faisal, Karachi (hereinafter referred to as “TDAP” which expression shall include its successors in interest and assign) of the other part.

**3.** **WHEREAS**, the TDAP requires the services of firm of Chartered Accountants for the 100% pre-audit and scrutiny and verification, in order to ensure genuineness of all claims for Grant of Subsidy to Pakistan Leather Garments Manufacturers & Exporters Association (PLGMEA) for the period starting from 2015-16., as detailed out in the public notice which is an integral part of this agreement, and

**4. WHEREAS**, the Auditors who have been selected for pre-audit scrutiny and verification of the claims pertaining to Grant of Subsidy on Lab Testing to Pakistan Leather Garments Manufacturers & Exporters Association (PLGMEA) from 2015-16, have agreed to provide the said services as set out in this agreement.

**5. NOW, THEREFORE**, in consideration of the covenants contained herein, the parties have agreed to enter into this agreement in accordance with the terms and conditions hereafter set forth.

1. **Scope of Work.**

The Auditors will pre-Audit, scrutinize and verify Claims against the above scheme, fully ensuring that the stipulations made and procedure set out in the Public Notice dated 30th March, 2015-16, regarding the “Grant of subsidy on account of Lab Testing claims to Pakistan Leather Garments Manufacturers & Exporters Association (PLGMEA) from 2015-16”, spelled out in the Public Notice mentioned above have been duly complied with.

**1. Policy and Its objective**

The EDF Board in its 68th meeting (24.1.2015-16) took the decision to Grant Subsidy on Lab Testing Claims to Pakistan Leather Garments Manufacturers & Exporters Association (PLGMEA) for the period \_\_\_\_\_\_\_\_\_\_\_\_ 2015-16 onwards and approved an amount of Rs. 60 million.

**2. Role and Responsibility of the Association**:

The Pakistan Leather Garments Manufacturers & Exporters Association (PLGMEA) will duly verify/recommend the documents of their member exporters to TDAP / auditors and will give undertaking that the Association has duly assessed the eligibility of these claims for the above program of the Government, after verifying the documents given, claim-wise.

**3. Eligibility**

1. Only those exporters will be eligible for payment of 75% of the lab charges where the products are eligible for subsidy and necessary export have been made by the exporters.
2. List of eligible products along with their product description and HS Code are available on the website of TDAP against this public notice.
3. Amount of subsidy availed by each exporter under this program will not exceed 1% of the total value of its annual exports during the year 2019-20 and likewise for each coming fiscal year till all the funds are exhausted, as per the data obtained from PRAL.
4. Rough estimate of the number of claims and the number of the exporters availing the benefit is around 7,000 and 70 exporters respectively.

**4. Documentary requirements**

1. The Invoices of foreign labs will be counterchecked from the payments made to them from the exporters’ banks duly verified by PLGMEA.
2. The Invoices of local labs will be verified by the Auditors along-with payments made to them by the exporters for the purpose.
3. TDAP will provide CD of exporters’ data to the Auditors containing details of their shipments as collected from the Customs / PRAL for purpose of determination that only eligible H.S. Codes get subsidy; that amount of subsidy does not exceed 1% of the total exports of a party for the year 2019-20 and likewise for each coming fiscal years till all the funds are exhausted and that the exporter whose 60% of the exports consisted of the finished leather (eligible codes) only gets the subsidy.
4. Letter of recommendation of the association (PLGMEA).

**5. Procedure for scrutiny of claims**

I) A claim potentially eligible for support under this program will go through a 100% pre-audit for which auditors will be selected from the market through competitive and open bidding; only those auditors will be eligible for participation in the bidding process who are on the Category-A list of the State Bank of Pakistan.

II) Pakistan Leather Garments Manufacturers & Exporters Association (PLGMEA) will collect the claims from exporters and conduct a preliminary scrutiny of these claims and forward only those claims to the government agency administering the scheme which are eligible for the support as per the requirements of this scheme. (PLGMEA will also provide a list of claims not being recommended with the reasons recorded therein).

III) Claims will be processed on first come first serve basis. Any claim found to be deficient; will join the queue afresh after removal of the deficiency. Those claims which do not qualify under the scheme will be returned to the concerned exporters in original (through the association) giving reasons as to why the claims were not eligible for payment.

IV) Those claims which qualify the audit process will be sent to Trade Development Authority of Pakistan (TDAP) by the auditors. The approved amount of Rs.60 million will be released through a joint account to be opened for the purpose under reference, with joint signature of a designated officer/representative of PLGMEA and TDAP. Necessary crossed cheques will be issued in the name of the firm whose claims have been approved.

V) However, in the case of suspicious claims, where the claim amount is extraordinary etc., or there are any doubts about the authenticity of the claim, the auditors will be duly authorized to seek more documents from the exporter (Association); or may even call the exporter to the office of Trade Development Authority of Pakistan and open the concerned GD document in front of the auditor and officer of the TDAP.

VI) The cheques will only be issued for the eligible claims, which have been approved by the auditors in terms of priority as mentioned in para 4 (III) and record thereof will be maintained by TDAP; particular care would be taken so that the priority is not broken regardless of the availability of the funds in the account.

VII) The Auditor to be selected for the job of audit of the claims under reference will be paid out of funds mentioned in the joint account above. However, partially processed cases, where the auditor has raised some objection/ query, will only be paid after the objection /query has been satisfactorily addressed; and/or the mechanism of the dispute settlement/appeal (given below) has been exhausted regarding the concerned claim.

**6. Dispute settlement / appeal**

Exporters whose claims are rejected either by the association or by the auditors for whatever reasons and they believe that an injustice has been committed against them, could lodge an appeal within one month of such rejections with the head of TDAP who, with the help of 2 members, namely, Chairman of Association (PLGMEA), and DG (T&L), TDAP will examine / review the rejected claim afresh under the policy and will render a decision, which will be final and binding on all parties concerned.

**7. Submission of claims to TDAP / auditors**

TDAP will forward these claims to auditors after their receipt from the Association (PLGMEA) with a covering letter mentioning the number of claims and the number of shipments / exporters involved; if these claims are received in batches, then they will be duly referenced and linked-up (in TDAP’s letter) for purpose of subsequent follow-up.

**8. Appointment of auditors and their role in scrutiny of documents and determination of eligibility of a claim**

TDAP after publication of this Public Notice will select the qualified auditors falling into the Category-A list of State Bank of Pakistan calling bids in this regard through national press describing in brief the nature of the job, documents and procedure for scrutiny / assessment of claims etc., in terms of this public notice, which the auditors will be required to undertake against fee per claim, payable after the complete scrutiny of the claim, regardless of whether a claim is passed or failed. Auditors will be paid from the amount of Rs. 60 MILLION sanctioned for the scheme by the EDF against payment procedure to be settled with them by TDAP in terms of necessary agreement for the job.

**9. Validity of the procedure**

This procedure will be valid till fund of Rs. 60 Million sanctioned for the purpose is exhausted.

**10. Role of TDAP**

10.1 The TDAP shall arrange suitable office space along with furniture, cabinets and telephone facility to accommodate a minimum of 6 staff members of the Auditors.

10.2 The TDAP shall provide internet facility to Auditors and shall nominate a coordinator who will assist the Auditors and their staff for redressal / solution of administrative problem (s), if any, faced by them during rendering of agreed services.

10.3 The TDAP shall also cooperate with the Auditors during the performance of their services outlined in this Agreement and ensuring timely access to relevant data.

10.4 TDAP will be responsible for paying fees to the Auditors as mentioned in clause 18 of this agreement.

10.6 In case of additional claims as and when decided by the Government, it would be TDAP’s responsibility to provide such claims to the Auditors for their scrutiny and verification under the procedure and terms of this agreement.

10.7 In cases of disputes involving reference from exporters to Secretary TDAP, the final decision of the TDAP will be conveyed to the Auditors along with necessary reasons /justifications for such decisions. Such decisions will be final and binding on all parties as per the Public Notice of TDAP dated 15th August, 2021.

10.8 For making disbursements under the scheme, TDAP shall maintain a separate joint account at the National Bank of Pakistan, Karachi having one signatory from PLGMEA and one from TDAP; who will issue a cross cheque to the eligible company on receipt of duly verified eligible claims received from auditors that qualify for payment under this scheme. Such cheques will strictly follow the sequence of payment as mentioned vide sub clause (a) of clause 11 below.

11. **Role of Auditors**

* 1. On receipt of claim documents from TDAP, the Auditors will prioritize them in terms of receipt of (date thereof) against shipment of goods made under this scheme. This prioritization will help the TDAP in issuing payment to the eligible exporters under the scheme while observing the assigned sequence to avoid any possibility of out of turn payment.
  2. The Auditors will determine the eligibility of the claims in terms of policy and requisite documents detailed under sub-clause a, b & c of clause 9 above, and will calculate the total amount of subsidy accruing to the exporters in terms of the scheme (as mentioned in public notice) and send necessary payment advice to the TDAP to issue required cheques to the exporters.
  3. The Auditor shall show the unique identification number of a claim on all documents relevant to the claim and will quote it in all communications, including the approval, objections and rejection of the claim.
  4. The Auditors will be authorized to totally reject claims found ineligible in terms of the prescribed parameters of the scheme (giving reasons of rejection in writing), after calling for additional documents from exporters through PLGMEA, if and where needed. The exporters will be bound to provide such document to the auditors within (30) days of receipt of request from the Auditors through the Association.
  5. In addition, Auditors will counter-check these claims with the help of export data.

**14. General Conditions To Be Fulfilled By The Auditors**

14.1 The Auditor shall consult TDAP whenever they have doubts about the eligibility of a claim in terms of the Public Notice dated 30th March, 2018.

14.2 The Auditor will not allow public dealing and will restrict access to their office by the exporters, their agents or concerned bank personnel. The Auditor shall maintain a database on total subsidy claims received, processed, amount paid out, pending claims, etc.

14.3 The auditors will provide the services as agreed in this Agreement to the satisfaction of TDAP. Any violation in this respect may invite activation of the Risk Purchase /Penalty Clause.

**15. Deliverable**

15.1The Auditor shall submit on a fortnightly basis a summary report containing factual findings on the basis of agreed upon procedures carried out in accordance with this Agreement covering the following information:

Total Claims brought down from the previous month xxxx

Date wise summary of the claims received during the present month xxxx

(list to be attached)

Total claims available for processing xxxx

Claims accepted for subsidy having complete all the pre-requisites (list to be attached) xxxx

Claims which are to be returned to PLGMEA for removal of any discrepancies xxxx

pointed out by the Auditors.

Claims rejected on the basis of not fulfilling the criteria as highlighted xxxx

in Public Notice.

Total claims processed for release of subsidy during the present month. xxxx

(list to be attached)

Claims to be carried forward to the next month because of lack of required xxxx

Documentation.

====

**16. Performance Bond / Bank Guarantee**

16.1. The Auditors are required to deposit, in the form bank guarantee, a performance bond in a sum equivalent to 10% of the total contract price.

16.2. The above said bank guarantee shall be issued by the scheduled bank operating in Pakistan and shall remain valid up-to at least (01) year after the expiry of this agreement and / or its termination by TDAP.

**17. Risk Purchase / Penalty Clause**

17.1 In case of breach of terms and conditions of this Agreement and / or breach in the time frame agreed upon for the pre-audit, scrutiny and verification etc of the claims and breach / violation of any clause of this agreement by the Auditors, the TDAP will be at liberty to procure the services from some other source / party and any extra payment made in this respect will be adjusted against the dues of Auditors who shall also be liable to compensate the TDAP for any loss it sustained in this context. Moreover, without prejudice to any other rights and remedies that the TDAP will have hereunder or at law, TDAP shall be at liberty to immediately terminate this Agreement whereupon the TDAP shall also be at liberty to forfeit immediately the Bank Performance Guarantee submitted by the Auditors.

**18. Fee and Mode of Payment.**

18.1 The Auditor shall charge professional fee per claim processed. The fee will be inclusive of all expenses, taxes and will be billed on the basis of number of claims processed per month on monthly basis. The per claims processing fee, noted above, shall be paid only against the final disposal of claims, either approved or rejected, whereas, the claims processed with queries / objections will not be deemed eligible for payment.

18.2 The Auditor shall file the bill on 5th of every month. The TDAP will endeavor to make payment of the Auditor bills within two weeks from the date of submission.

18.3 In the event, this engagement / agreement is terminated for any reason, the Auditor shall be entitled to the payment of their pending professional fee, and the professional fee for the claims they have pre-audited, scrutinized and verified up-to the date of termination of the Agreement subject to the provisions of this Agreement.

18.4 Payment shall be made in Pak. Rupees in the form of cross cheque issued in favour of the Audit firm.

**19. Validity of the Agreement and its Termination**

19.1 This agreement shall be valid for one year from its date of signing between the contracting parties. (TDAP & Chartered Accountants).

19.2 The time period/validity of the contract could be extended subject to mutual agreement of the contracting parties. During the validity of the contract, the TDAP will be entitled to refer additional claims to the Auditors, if and when decided by the Government

19.3 Either party may terminate this Agreement at any time by giving one month written Notice to the other party, in normal circumstances. However, this agreement may immediately be terminated by TDAP, if the Auditors commit any material breach of any clause or provision of this Agreement. Further, any termination of this agreement by TDAP shall be without prejudice to any other rights or remedies which the TDAP may be entitled to hereunder or at law and shall not affect accrued rights nor the coming into or continuing in force of any provision hereof, which has expressly or by implication intended to come to or continue in force on / or after such termination.

**20. Ownership**

20.1 The Auditor shall hand over the ownership of database records, hard copies both original and photocopies of claims and other information to TDAP after the completion of assignment.

**21. Confidentiality and Privacy**

21.1 Each party agrees to use the Confidential Information of the other party that is related to both parties namely M/s TDAP and Audit Firm., solely for the purposes of this agreement. This clause would not limit the powers of both the parties to exchange claim related documents and information with the relevant third party concerning the case.

**22. Limitation on warranties**

22.1 The Auditor shall perform the Services in good faith and with due care and skill

22.2 The Auditor shall notify the TDAP promptly in writing if it expects or encounters delays or any significant issues worth reporting.

**23. Variation**

23.1 If the parties agree in writing to change or extend the scope of the Services, then this Agreement shall be varied to include such additional services as agreed or as required to be performed by Auditors. In such event, the Auditor shall be entitled to charge, and TDAP shall pay, an additional fee if mutually agreed between the parties.

**24. Caveats And Limitation On Damages**

24.1 This engagement is based on the understanding that management of TDAP will indemnify and hold harmless the Auditors from and against any or all costs, expenses, losses, claims, demands, actions, suits made or initiated against them by any third party for their engagement by TDAP for the services outlined and agreed in this agreement.

24.2 In addition, Auditors shall be responsible for proper processing and disposal of the claims submitted, and take due care that no invalid and ineligible claims are passed with or without collusion of their employees with the exporters. In such cases, the Auditors will be accountable to the TDAP to make good any loss incurred to the Government.

**25. Other Terms**

25.1 **Force Majeure:** Except for the payment of money, neither party shall be liable for any delays in the performance of obligations under this Agreement resulting from circumstances or causes beyond its reasonable control, including, delays by the other party, power outages, failure of telecommunications, fire or other casualty, act of God, strike or labor dispute, war or violence, or any law and order or requirement of any governmental agency or authority.

25.2 **Assignment:** The Auditor shall not assign this Agreement to any third party without the written consent of TDAP. In the event of any restructuring or reorganization of the Auditor group, Auditor shall not assign, transfer or renovate any of its rights and / or obligations under this Agreement to any successor entity without the consent of the TDAP.

25.3 **Notices:** Notices under this Agreement must be in writing and may be delivered by hand, by registered mail, or by facsimile to the addresses of the parties specified in or notified pursuant to this Agreement. Notice will be deemed given: (a) in the case of hand delivery or registered mail, upon written acknowledgement of receipt by an officer or other duly authorized employee, agent or representative of the receiving party; (b) in the case of a facsimile, upon proof of completion of transmission, (c) TDAP and the Auditor management will be free to consult each other on telephone, intercom etc.

25.4 **Entire Agreement**: This Agreement constitutes the entire agreement subject to the Public Notice dated 30th March, 2018 governing the subject matter between the parties hereto with respect to its subject matter and supersedes all other oral or written responsibilities, understandings or agreement relating to the subject matter hereof, and may not be amended except by a written agreement signed by the parties or as otherwise provided for in this Agreement.

25.5 **Severability:** If any provision of this Agreement is declared or found to be illegal, unenforceable or void, then such provision shall be null and void but each of the other provisions hereof not so affected shall be enforced to the full extent permitted by the applicable law.

25.6 **Governing Law**: This Agreement takes effect, is governed by and shall be construed in accordance with the laws of Islamic Republic of Pakistan.

25.7 **Dispute Resolution**: Any dispute, controversy or claim arising out of or in relation to this Agreement, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the provision of Arbitration Act, 1940 (Act No. X of 1940) and of the rules made there under and any statutory modifications thereto. For the purposes of this arbitration:

1. The place of arbitration shall be Karachi
2. The number of arbitrators shall be one;
3. The language to be used in the arbitral proceedings shall be English; and
4. The arbitral award shall be final and binding on both parties

In witness whereof the parties hereto have set their signatures as follows:

Partner Director General

For and on behalf of For and on behalf of

Trade Development Authority of Pakistan

(Chartered Accountants / Auditors) (TDAP)

**Witnesses:**

1.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 1.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 2.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

## 4. Performance Security Form

To: *[name of Procuring agency]*

WHEREAS *[name of Supplier]* (hereinafter called “the Supplier”) has undertaken, in pursuance of Contract No. *[reference number of the contract]* dated \_\_\_\_\_\_\_\_\_\_\_\_ 20\_\_\_\_\_ to supply*[description of goods and services] (*hereinafter called “the Contract”).

AND WHEREAS it has been stipulated by you in the said Contract that the Supplier shall furnish you with a bank guarantee by a reputable bank for the sum specified therein as security for compliance with the Supplier’s performance obligations in accordance with the Contract.

AND WHEREAS we have agreed to give the Supplier a guarantee:

THEREFORE, WE hereby affirm that we are Guarantors and responsible to you, on behalf of the Supplier, up to a total of *[amount of the guarantee in words and figures],* and we undertake to pay you, upon your first written demand declaring the Supplier to be in default under the Contract and without cavil or argument, any sum or sums within the limits of *[amount of guarantee]*as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

This guarantee is valid until the \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_20\_\_\_\_\_.

Signature and seal of the Guarantors

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*[name of bank or financial institution]*

*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

*[address]*

*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

*[date]*

## 5. Bank Guarantee for Advance Payment

To: *[name of Procuring agency]*

*[name of Contract]*

Gentlemen and/or Ladies:

In accordance with the payment provision included in the Special Conditions of Contract, which amends Clause 16 of the General Conditions of Contract to provide for advance payment, *[name and address of Supplier]* (hereinafter called “the Supplier”) shall deposit with the Procuring agency a bank guarantee to guarantee its proper and faithful performance under the said Clause of the Contract in an amount of *[amount of guarantee in figures and words]*.

We, the *[bank or financial institution]*, as instructed by the Supplier, agree unconditionally and irrevocably to guarantee as primary obligator and not as surety merely, the payment to the Procuring agency on its first demand without whatsoever right of objection on our part and without its first claim to the Supplier, in the amount not exceeding *[amount of guarantee in figures and words]*.

We further agree that no change or addition to or other modification of the terms of the

Contract to be performed there under or of any of the Contract documents which may be made between the Procuring agency and the Supplier, shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition, or modification.

This guarantee shall remain valid and in full effect from the date of the advance payment received by the Supplier under the Contract until *[date]*.

Yours truly,

Signature and seal of the Guarantors

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*[name of bank or financial institution]*

*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

*[address]*

*\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

*[date]*

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# Annexure I to Part One

|  |  |  |  |
| --- | --- | --- | --- |
| **S. No** | **Parameters against which technical evaluation shall be done** | **Scoring brackets** | **Total points allocated** |
| **1** | **Company Profile** |  |  |
| 1.1 | Years of Experience in Audit & Accountancy |  | **10** |
|  | ≤ 5 year | 4 |  |
|  | ≥ 6 ≤ 10 years | 6 |  |
|  | > 9 years | 10 |  |
| 1.2 | Clientele: |  | **10** |
|  | ≤ 5 MNCs or local firms | 03 |  |
|  | ≥ 5 ≤ 7 MNCs or local firms | 07 |  |
|  | ≥ 8 MNCs or local companies | 10 |  |
| 1.3 | No. of employees, Relevant Qualifications of Audit and accountancy and team |  | **10** |
| 1.3.1 | Number of employees |  | **4** |
|  | Number of employees ≤10 | 2 |  |
|  | Number of employees >11 | 4 |  |
| 1.3.2 | Relevant Qualifications of Auditing |  | **6** |
|  | Accounting and Audit but experienced | 2 |  |
|  | Relevant to Accounting and Audit with ≤3 years’ experience in the field | 4 |  |
|  | Relevant to Accounting with > 4 years’ experience in the field | 6 |  |
| 1.4 | **Affiliations** |  | **10** |
| 1.4.1 | National | 5 |  |
| 1.4.2 | International | 10 |  |
| 2 | **Network of Branches** |  | **10** |
| 2.1 | Local | 03 |  |
| 2.2 | National | 06 |  |
| 2.3 | International (Having existence in Pakistan) | 10 |  |
| **3** | **Relevant Experience** |  | **10** |
| 3.1 | Projects of audit handled so far which relate |  |  |
| 3.1.1 | ≤ 3 | 03 |  |
| 3.1.2 | ≥ 4 ≤ 10 | 07 |  |
| 3.1.3 | ≥11 | 10 |  |
| **4** | **Proposed Work Plan** |  | **10** |
| 4.1 | Proposed work plan for auditing |  |  |
| 4.1.2 | In accordance with TORs | 10 |  |
| 5 | **Financial strength of the firm** |  | **10** |
| 5.1 | ≥ 5 ≤ 10 Million of annual turnover certified/proved with bank statement or audited accounts | 05 |  |
| 5.2 | ≥10 Million of annual turnover certified/proved with bank statement or audited accounts | 10 |  |
| **6.1** | **Rating** |  | **10** |
| 6.1.1 | Category A’ as listed on the State Bank of Pakistan’s Panel of Auditors | 10 |  |
|  | **TOTAL** |  | **100** |

*Minimum Passing Marks are 55*

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| **GOVERNMENT OF PAKISTAN**  **TRADE DEVELOPMENT AUTHORITY OF PAKISTAN** |
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**PART TWO**

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# SECTION I: General Conditions of Contract

### 1. Definitions

1.1 In this Contract, the following terms shall be interpreted as indicated:

(a) “The Contract” means the agreement entered into between the Procuring agency and the Supplier, as recorded in the Contract Form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.

(b) “The Contract Price” means the price payable to the Supplier under the Contract for the full and proper performance of its contractual obligations.

(c) “The Goods” means all of the services, products and/or other materials which the Supplier is required to supply to the Procuring agency under the Contract.

(d) “The Services” means those services ancillary to the supply of the Goods, such as transportation and insurance, and any other incidental services, such as installation commissioning, provision of technical assistance, training, and other such obligations of the Supplier covered under the Contract.

(e) “GCC” means the General Conditions of Contract contained in this section.

(f) “SCC” means the Special Conditions of Contract.

(g) “The Procuring agency” means the organization purchasing the Goods, as named in SCC.

(h) “The Procuring agency’s country” is the country named in SCC.

(i) “The Supplier” means the individual or firm supplying the Goods and Services under this Contract.

(j) “The Project Site,” where applicable, means the place or places named in SCC.

(k) “Day” means calendar day.

### 2. Application

2.1 These General Conditions shall apply to the extent that they are not superseded by provisions of other parts of the Contract

### 3. Country of Origin

3.1 All Goods and Services supplied under the Contract shall have their origin in the countries and territories eligible under the rules and law

4. Technical Specifications

4.1 The Goods supplied under this Contract shall conform to the standards mentioned in the Technical Specifications, and, when no applicable standard is mentioned, to the authoritative standards appropriate to the Goods’ country of origin. Such standards shall be the latest issued by the concerned institution.

### 5. Use of Contract Documents and Information; Inspection and Audit by the Government

5.1 The Supplier shall not, without the Procuring agency’s prior written consent, disclose the Contract, or any provision thereof, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the Procuring agency in connection therewith, to any person other than a person employed by the Supplier in the performance of the Contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

5.2 The Supplier shall not, without the Procuring agency’s prior written consent, make use of any document or information enumerated in GCC Clause 5.1 except for purposes of performing the Contract.

5.3 Any document, other than the Contract itself, enumerated in

GCC Clause 5.1 shall remain the property of the Procuring agency and shall be returned (all copies) to the Procuring agency on completion of the Supplier’s performance under the Contract if so required by the Procuring agency.

5.4 The Supplier shall permit the Procuring agency to inspect the Supplier’s accounts and records relating to the performance of the Supplier and to have them audited by auditors appointed by the procuring agency, if so required.

### 6. Patent Rights

6.1 The Supplier shall indemnify the Procuring agency against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the Goods or any part there of in the Procuring agency’s country.

### 7. Performance Security

7.1 The Contractor shall furnish to the Employer / Procuring Agency within fourteen (14) days after receipt of Letter of Acceptance a Performance Security at the option of the bidder, in the form of Bank Draft or Bank Guarantee or an insurance company having at least AA rating from PACRA/JCR for the amount and validity specified in Contract Data.

7.2 The proceeds of the performance security shall be payable to the Procuring agency as compensation for any loss resulting from the Supplier’s failure to complete its obligations under the Contract.

7.4 The performance security will be discharged by the Procuring agency and returned to the Supplier not later than thirty (30) days following the date of completion of the Supplier’s performance obligations under the Contract, including any warranty obligations, unless specified otherwise in SCC.

### 8. Inspections and Tests

8.1 The Procuring agency or its representative shall have the right to inspect and/or to test the Goods to confirm their conformity to the Contract specifications at no extra cost to the Procuring agency. SCC and the Technical Specifications shall specify what inspections and tests the Procuring agency requires and where they are to be conducted. The Procuring agency shall notify the Supplier in writing, in a timely manner, of the identity of any representatives retained for these purposes.

8.2 The inspections and tests may be conducted on the premises of the Supplier or its subcontractor(s), at point of delivery, and/or at the Goods’ final destination. If conducted on the premises of the Supplier or its subcontractor(s), all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to the Procuring agency.

8.3 Should any inspected or tested Goods fail to conform to the Specifications, the Procuring agency may reject the Goods, and the Supplier shall either replace the rejected Goods or make alterations necessary to meet specification requirements free of cost to the Procuring agency.

8.4 The Procuring agency’s right to inspect, test and, where necessary, reject the Goods after the Goods’ arrival in the Procuring agency’s country shall in no way be limited or waived by reason of the Goods having previously been inspected, tested, and passed by the Procuring agency or its representative prior to the Goods’ shipment from the country of origin.

8.5 Nothing in GCC Clause 8 shall in any way release the Supplier from any warranty or other obligations under this Contract

### 9. Packing

9.1 The Supplier shall provide such packing of the Goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the Contract. The packing’s hall be sufficient to withstand, without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit, and open storage. Packing case size and weights shall take into consideration, where appropriate, the remoteness of the Goods’ final destination and the absence of heavy handling facilities at all points in transit.

9.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the Contract, including additional requirements, if any, specified in SCC, and in any subsequent instructions ordered by the Procuring agency.

### 10. Delivery and Documents

10.1 Delivery of the Goods shall be made by the Supplier in accordance with the terms specified in the Schedule of Requirements. The details of shipping and/or other documents to be furnished by the Supplier are specified in SCC.

10.2 Documents to be submitted by the Supplier are specified in SCC.

### 11. Insurance

11.1 The Goods supplied under the Contract shall be delivered duty paid (DDP) under which risk is transferred to the buyer after having been delivered, hence insurance coverage is sellers responsibility.

### 12. Transportation

12.1 The Supplier is required under the Contact to transport the Goods to a specified place of destination within the Procuring agency’s country, transport to such place of destination in the Procuring agency’s country, including insurance and storage, as shall be specified in the Contract, shall be arranged by the Supplier, and related costs shall be included in the Contract Price.

### 13. Incidental Services

13.1 The Supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:

(a) performance or supervision of on-site assembly and/or start-up of the supplied Goods;

(b) furnishing of tools required for assembly and/or maintenance of the supplied Goods;

(c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied Goods;

(d) performance or supervision or maintenance and/or repair of the supplied Goods, for a period of time agreed by the parties, provided that this service shall not relieve the

Supplier of any warranty obligations under this Contract; and

(e) training of the Procuring agency’s personnel, at the Supplier’s plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied Goods.

13.2 Prices charged by the Supplier for incidental services, if not included in the Contract Price for the Goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged for other parties by the Supplier for similar services.

### 14. Spare Parts

14.1 As specified in SCC, the Supplier may be required to provide any or all of the following materials, notifications, and information pertaining to spare parts manufactured or distributed by the Supplier:

(a) such spare parts as the Procuring agency may elect to purchase from the Supplier, provided that this election shall not relieve the Supplier of any warranty obligations under the Contract; and

(b) in the event of termination of production of the spare parts:

(i) advance notification to the Procuring agency of the pending termination, in sufficient time to permit the Procuring agency to procure needed requirements; and

(ii) following such termination, furnishing at no cost to the Procuring agency, the blueprints, drawings, and specifications of the spare parts, if requested.

### 15. Warranty

15.1 The Supplier warrants that the Goods/services supplied under the Contract are new, unused, of the most recent or current models, and that they incorporate all recent improvements in design and materials unless provided otherwise in the Contract. The Supplier further warrants that all Goods supplied under this Contract shall have no defect, arising from design, materials, or workmanship (except when the design and/or material is required by the Procuring agency’s specifications) or from any act or omission of the Supplier, that may develop under normal use of the supplied Goods in the conditions prevailing in the country of final destination.

15.2 This warranty shall remain valid for twelve (12) months after the Goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the Contract, or for eighteen (18) months after the date of shipment from the port or place of loading in the source country, whichever period concludes earlier, unless specified otherwise in SCC.

15.3 The Procuring agency shall promptly notify the Supplier in writing of any claims arising under this warranty.

15.4 Upon receipt of such notice, the Supplier shall, within the period specified in SCC and with all reasonable speed, repair or replace the defective Goods or parts thereof, without costs to the Procuring agency.

15.5 If the Supplier, having been notified, fails to remedy the defect(s) within the period specified in SCC, within a reasonable period, the Procuring agency may proceed to take such remedial action as may be necessary, at the Supplier’s risk and expense and without prejudice to any other rights which the Procuring agency may have against the Supplier under the Contract.

### 16. Payment

16.1 The method and conditions of payment to be made to the Supplier under this Contract shall be specified in SCC.

16.2 The Supplier’s request(s) for payment shall be made to the Procuring agency in writing, accompanied by an invoice describing, as appropriate, the Goods delivered and Services performed, and by documents submitted pursuant to GCC Clause10, and upon fulfillment of other obligations stipulated in the Contract.

16.3 Payments shall be made promptly by the Procuring agency, but in no case later than sixty (60) days after submission of an invoice or claim by the Supplier.

16.4 The currency of payment is Pak. Rupees.

### 17. Prices

17.1 Prices charged by the Supplier for Goods delivered and Services performed under the Contract shall not vary from the prices quoted by the Supplier in its bid, with the exception of any price adjustments authorized in SCC or in the Procuring agency’s request for bid validity extension, as the case may be.

### 18. Change Orders

18.1 The Procuring agency may at any time, by a written order given to the Supplier pursuant to GCC Clause 31, make changes within the general scope of the Contract in any one or more of the following:

(a) drawings, designs, or specifications, where Goods to be furnished under the Contract are to be specifically manufactured for the Procuring agency;

(b) the method of shipment or packing;

(c) the place of delivery; and/or

(d) the Services to be provided by the Supplier.

18.2 If any such change causes an increase or decrease in the cost of, or the time required for, the Supplier’s performance of any provisions under the Contract, an equitable adjustment shall be made in the Contract Price or delivery schedule, or both, and the Contract shall accordingly be amended. Any claims by the Supplier for adjustment under this clause must be asserted within thirty (30) days from the date of the Supplier’s receipt of the Procuring agency’s change order.

### 19. Contract Amendments

19.1 Subject to GCC Clause 18, no variation in or modification of the terms of the Contract shall be made except by written amendment signed by the parties.

### 20. Assignment

20.1 The Supplier shall not assign, in whole or in part, its obligations to perform under this Contract, except with the Procuring agency’s prior written consent.

### 21. Subcontracts

21.1 The Supplier shall notify the Procuring agency in writing of all subcontracts awarded under this Contract if not already specified in the bid. Such notification, in the original bid or later, shall not relieve the Supplier from any liability or obligation under the Contract.

21.2 Subcontracts must comply with the provisions of GCC Clause 3

### 22. Delays in the Supplier’s Performance

22.1 Delivery of the Goods and performance of Services shall be made by the Supplier in accordance with the time schedule prescribed by the Procuring agency in the Schedule of Requirements.

22.2 If at any time during performance of the Contract, the Supplier or its subcontractor(s) should encounter conditions impeding timely delivery of the Goods and performance of Services, the Suppliers hall promptly notify the Procuring agency in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the Supplier’s notice, the Procuring agency shall evaluate the situation and may at its discretion extend the Supplier’s time for performance, with or without liquidated damages, in which case the extension shall be ratified by the parties by amendment of Contract.

22.3 Except as provided under GCC Clause 25, a delay by the Supplier in the performance of its delivery obligations shall render the Supplier liable to the imposition of liquidated damages pursuant to GCC Clause 23, unless an extension of time is agreed upon pursuant to GCC Clause 22.2 without the application of liquidated damages.

### 23. Liquidated Damages

23.1 Subject to GCC Clause 25, if the Supplier fails to deliver any or all of the Goods or to perform the Services within the period(s)specified in the Contract, the Procuring agency shall, without prejudice to its other remedies under the Contract, deduct from the Contract Price, as liquidated damages, a sum equivalent to the percentage specified in SCC of the delivered price of the delayed Goods or unperformed Services for each week or part thereof of delay until actual delivery or performance, up to a maximum deduction of the percentage specified in SCC. Once the maximum is reached, the Procuring agency may consider termination of the Contract pursuant to GCC Clause 24.

### 24. Termination for Default

24.1 The Procuring agency, without prejudice to any other remedy for breach of Contract, by written notice of default sent to the Supplier, may terminate this Contract in whole or in part:

(a) if the Supplier fails to deliver any or all of the Goods within the period(s) specified in the Contract, or within any extension thereof granted by the Procuring agency pursuant to GCC Clause 22; or

(b) if the Supplier fails to perform any other obligation(s)under the Contract.

(c) if the Supplier, in the judgment of the Procuring agency has engaged in corrupt or fraudulent practices in competing for or in executing the Contract.

For the purpose of this clause:

“Corrupt practice” means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution.

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

24.2 In the event the Procuring agency terminates the Contract in whole or in part, pursuant to GCC Clause 24.1, the Procuring agency may procure, upon such terms and in such manner as it deems appropriate, Goods or Services similar to those undelivered, and the Supplier shall be liable to the Procuring agency for any excess costs for such similar Goods or Services. However, the Supplier shall continue performance of the Contract to the extent not terminated.

### 25. Force Majeure

25.1 Notwithstanding the provisions of GCC Clauses 22, 23, and 24, the Supplier shall not be liable for forfeiture of its performance security, liquidated damages, or termination for default if and to the extent that its delay in performance or other failure to perform its obligations under the Contract is the result of an event of Force Majeure.

25.2 For purposes of this clause, “Force Majeure” means an event beyond the control of the Supplier and not involving the Supplier’s fault or negligence and not foreseeable. Such events may include, but are not restricted to, acts of the Procuring agency in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes.

25.3 If a Force Majeure situation arises, the Supplier shall promptly notify the Procuring agency in writing of such condition and the cause thereof. Unless otherwise directed by the Procuring agency in writing, the Supplier shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.

### 26. Termination for Insolvency

26.1 The Procuring agency may at any time terminate the Contract by giving written notice to the Supplier if the Supplier becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the Supplier, provided that such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Procuring agency.

### 27. Termination for Convenience

27.1 The Procuring agency, by written notice sent to the Supplier, may terminate the Contract, in whole or in part, at any time for its convenience. The notice of termination shall specify that termination is for the Procuring agency’s convenience, the extent to which performance of the Supplier under the Contract is terminated, and the date upon which such termination becomes effective.

27.2 The Goods that are complete and ready for shipment within thirty (30) days after the Supplier’s receipt of notice of termination shall be accepted by the Procuring agency at the Contract terms and prices. For the remaining Goods/services, the Procuring agency may elect:

(a) to have any portion completed and delivered at the Contract terms and prices; and/or

(b) to cancel the remainder and pay to the Supplier an agreed amount for partially completed Goods and Services and for materials and parts previously procured by the Supplier.

### 28. Resolution of Disputes

28.1 The Procuring agency and the Supplier shall make every effort to resolve amicably by direct informal negotiation any disagreement or dispute arising between them under or in connection with the Contract.

28.2 If, after thirty (30) days from the commencement of such informal negotiations, the Procuring agency and the Supplier have been unable to resolve amicably a Contract dispute, either party may require that the dispute be referred for resolution to the formal mechanisms specified in SCC. These mechanisms may include, but are not restricted to, conciliation mediated by a third party, adjudication in an agreed manner and/or arbitration.

### 29. Governing Language

29.1 The Contract shall be written in the language specified in SCC. Subject to GCC Clause 30, the version of the Contract written in the specified language shall govern its interpretation. All correspondence and other documents pertaining to the Contract which are exchanged by the parties shall be written in the same language

### 30. Applicable Law

30.1 The Contract shall be interpreted in accordance with the laws of the Procuring agency’s country, unless otherwise specified in SCC.

### 31. Notices

31.1 Any notice given by one party to the other pursuant to this Contract shall be sent to the other party in writing or by cable, telex, or facsimile and confirmed in writing to the other party’s address specified in SCC.

31.2 A notice shall be effective when delivered or on the notice’s effective date, whichever is later.

### 32. Taxes and Duties

32.1 Supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted Goods to the Procuring agency.

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# SECTION II: Special Conditions of Contract

The following Special Conditions of Contract shall supplement the General Conditions of Contract. Whenever there is a conflict, the provisions herein shall prevail over those in the General Conditions of Contract. The corresponding clause number of the GCC is indicated in parentheses.

### Definitions (GCC Clause 1)

GCC 1.1 (g)—The Procuring agency is: **Trade Development Authority of Pakistan, Government of Pakistan**

GCC 1.1 (h)—The Procuring agency’s country is: **Pakistan**

GCC 1.1 (i)—The Supplier is:

GCC 1.1 (j)—The Project Site is: **TDAP, HQs, FTC Building, Sharah-e-Faisal, Karachi**

### 2. Country of Origin (GCC Clause 3)

All countries and territories as eligible under rules and law of Islamic Republic of Pakistan

### 3. Performance Security (GCC Clause 7)

GCC 7.1—The amount of performance security, as a percentage of the Contract Price, shall be: 10% of the Contract Price.

GCC 7.4—The Performance Security shall be valid for 90 days after the event to evaluate the performance and conformity of services and products supplied under the contract.

### 7. Insurance (GCC Clause 11)

GCC 11.1— Not applicable

### 8. Incidental Services (GCC Clause 13)

GCC 13.1—Incidental services to be provided are:

(a) Courier charges for correspondence for fee and sponsorship collections;

13.2 **Prices charged by the Supplier for incidental services, are included in the Contract Price for the Services.**

### 9. Spare Parts (GCC Clause 14)

GCC 14.1—Not applicable

### 10. Warranty (GCC Clause 15)

GCC 15.2—Not applicable

### 11. Payment (GCC Clause 16)

GCC 16.1—The method and conditions of payment to be made to the Supplier under this Contract shall be as follows:

**Payment for Services & Goods supplied:**

Payment shall be made in Pak.

### 12. Prices (GCC Clause 17)

GCC 17.1— Prices shall be fixed.

### 13. Liquidated Damages (GCC Clause 23)

GCC 23.1— Applicable rate: 0.5% percent per week

Maximum deduction: 10% of the Contract Price

### 14. Resolution of Disputes (GCC Clause 28)

GCC 28.3— The dispute resolution mechanism to be applied pursuant to GCC Clause28.2 shall be as follows:

A dispute which has been the subject of a notice of dissatisfaction shall be finally settled as per provisions of Arbitration Act 1940 (Act No. X of 1940) and Rules made thereunder and any statutory modifications thereto. Any hearing shall be held at the place specified in the Contract Data and in the English language

### 15. Governing Language (GCC Clause 29)

GCC 29.1—The Governing Language shall be: English

### 16. Applicable Law (GCC Clause 30)

GCC 30.1-The Contract shall be interpreted in accordance with the laws of Islamic Republic of Pakistan which includes the following legislation:

**The Employment of Children (ECA) Act 1991**

**The Bonded Labour System (Abolition) Act of 1992**

**The Factories Act 1934**

### 17. Notices (GCC Clause 31)

GCC 31.1 —

procuring agency’s address for notice purposes:

Deputy Director (Trade Facilitation& Coordination Division)

Trade Development Authority of Pakistan

3rd Floor, Block A, Finance and Trade Center

Sharah-e-Faisal, Karachi

—Supplier’s address for notice purposes: