

No. 2

JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)
MONGOLIA
MINISTRY OF INFRASTRUCTURE (MOI)
THE 4TH THERMAL POWER PLANT (TES4)
PROJECT IMPLEMENTING UNIT (PIU)

**JICA DEVELOPMENT STUDY SUPPORTING
THE REHABILITATION PROJECT
OF
THE 4TH THERMAL POWER PLANT
IN
ULAANBAATAR
MONGOLIA**

BIDDING DOCUMENTS

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SEPTEMBER 2002

ELECTRIC POWER DEVELOPMENT CO., LTD.

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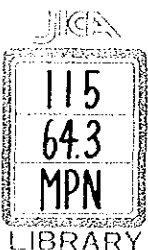
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JICA DEVELOPMENT STUDY SUPPORTING
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**PREQUALIFICATION DOCUMENTS
FOR
PACKAGE - 1**

**REHABILITATION PROJECT
OF
THE 4TH THERMAL POWER PLANT
IN
ULAANBAATAR, MONGOLIA

(PHASE-2)**

The 4th Thermal Power Plant

November 2001

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INVITATION FOR PREQUALIFICATION

Date: November 1, 2001

1. The Ministry of Finance and Economy (hereinafter referred to as MOFE) has received an ODA Loan from Japan Bank for International Cooperation, hereinafter referred to as the JBIC, in the amount of 6,139 million Yen toward the cost of Rehabilitation Project of the 4th Thermal Power Plant in Ulaanbaatar, Mongolia (Phase-2), signed on March 26, 2001 and intends to apply a portion of the proceeds of the loan to payments under the contract of Package-1 (conversion of existing semi-direct firing system for Boiler No.5 through No.8 to direct firing system) for which this Invitation for Prequalification is issued. Disbursement of the ODA Loan by JBIC will be subject, in all respects, to the terms and conditions of the Loan Agreement, including the disbursement procedures and the 'Guidelines for Procurement under JBIC ODA Loans'. No party other than MOFE shall derive any rights from the Loan Agreement or have any claim to Loan proceeds. The above Loan Agreement will cover only a part of the project cost. As for the remaining portion, MOFE will take appropriate measures for finance.
2. JBIC requires that bidders and suppliers, as well as MOFE, under contracts funded with JBIC ODA Loans and other Japanese ODA, observe the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, JBIC;
 - (a) will reject a proposal for award if it determines that the bidder recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question;
 - (b) will recognize a supplier as ineligible, for a period determined by JBIC, to be awarded a contract funded with JBIC ODA Loans if it at any times determines that the supplier has engaged in corrupt or fraudulent practices in competing for, or in executing, another contract funded with JBIC ODA Loans or other Japanese ODA.
3. The 4th Thermal Power Plant (hereinafter referred to as Purchaser), intends to prequalify suppliers for Package-1 under this project as shown in Attachment hereto 'General Project Description.'
4. It is expected that Invitations to Bid for Package-1 will be made in January 2002.
5. Prequalification is open to firms and voluntarily formed joint ventures from all countries and areas, in accordance with the Guidelines for Procurement under JBIC ODA Loans.
6. Eligible applicants may obtain the prequalification documents after November 1, 2001 by calling, writing, faxing, or telexing or by electronic mail from;

Ts. Altangadas (Project Manager)

Project Implementing Unit

The 4th Thermal Power Plant
P.O. Box 37
Ulaanbaatar, Mongolia

Phone : 976-11-633332

Fax : 976-11-633081

E-mail: piu4pp@mongol.net

7. The request must clearly state "Request for Prequalification Documents for Package-1 of Rehabilitation Project of The 4th Thermal Power Plant in Ulaanbaatar, Mongolia (Phase-2)". The documents are available free of charge. The Purchaser will promptly hand the documents to the requesting applicant personally at the address specified in Clause 6 above.
8. A minimum requirement for qualification described in Clause 4.3 of the Instructions to Applicants shall be fulfilled.
9. Submissions of Applications for Prequalification must be received in sealed envelopes (one original and five copies), either delivered by hand or by registered mail to the Purchaser addressed in Clause 6 above not later than December 14, 2001 and be clearly marked "Application to Prequalify for Package-1 of Rehabilitation Project of the 4th Thermal Power Plant in Ulaanbaatar, Mongolia (Phase-2)".
10. The Purchaser reserves the right to accept or reject late applications.
11. Applicants will be advised, in due course, of the results of their applications. Only firms and joint ventures prequalified under this procedure will be invited to bid.

General Project Description

1. Project Information

(1) Background Information

The 4th Thermal Power Plant was built under the design of the former USSR. The Plant commenced its operation with the first boiler (No. 1) in 1983 and reached its full capacity with eight boilers in 1992. The 4th Thermal Power Plant is the largest in Mongolia with its total capacity of 540 MW meeting 67 to 80 % of the total power demand of the central region and district heating. As no establishment of new power plant is planned until the year 2005, the 4th Thermal Power Plant must continue to play a vital role in supporting an ample and stable electricity for the domestic as well as industrial power demand. Commencement of industrialization of the national economy in the course of the transition from a centrally planned economic system to a market-oriented economy urged centralization of economic activities and urbanization. More capacity is needed to cope with this increasing power demand in the central region. However required extension and modernization of power station have been hampered mainly by a bottleneck of capital resources.

Under these conditions, the Japan Bank for International Cooperation (former OECF) provided a Yen Loan for the Mongolian Government to rehabilitate the facilities of the 4th Thermal Power Plant, which had been suffering from frequent forced outages due to inefficient operation with its outdated worn-out facilities.

The project (Phase-1) aimed to modernize the 4th Thermal Power Plant installing new mills of No. 1 through No. 4 boilers, their control system, replacement of boiler tubes and others. The rehabilitation project (Phase-1) was finished at the end of 1999.

The Project greatly contributes to provide the stable operation of Power Plant, reducing of internal electric consumption and air pollution control. The emission control of CO₂ is one of the most urgent global issues and it will be obviously getting more strictly regulation also in Mongolia. To cope with this urgent need, the Project's lasting contribution to the emission control is indispensable. Considering the analyzed benefits of current project and to maximize those effects throughout the Plant, the continuous project to rehabilitate the rest of the boilers No. 5 to No. 8 and their supporting facilities is necessary to be implemented as the Phase-2 to follow the current project.

(2) Location of the project and information on the surrounding area.

The 4th Thermal Power Plant, the object of this rehabilitation project is located in Ulaanbaatar, the capital of Mongolia. Ulaanbaatar city is located on a highland with an altitude of 1,351 meters, and situated in a basin surrounded by mountains. The city is largest in Mongolia with a population around 777,800. The climate is continental. The coldest month throughout the year is January and hottest month July. The annual average temperature is 0.9 degree C, relative humidity 67% and the annual rainfall is very scarce, 233 mm.

(3) Stage reached in the project's preparation and summary of the findings of studies to date.

JBIC made the survey report on rehabilitation project of the 4th Thermal Power Plant in Ulaanbaatar Mongolia (Phase-2) on April 1999. The survey report contained the background, scope, implementing schedule of the project and others.

Following items were included in the scope of work for the project.

- Conversion of existing semi-direct firing system to direct firing for the Boiler No. 5 through No. 8 (Package-1 to be prequalified by this Prequalification Documents).
- Rehabilitation of controls and instrumentation for the Boiler No.5 through No.8 (Package-2)
- Replacement of boiler tubes (economizer, superheater, etc).(Package-3)
- Replacement of exciting system for power generator No.1 through No. 4 (Package-4)
- Removal of existing equipment and erection works for the equipment supplied under the Contract of Package-1 through Package-4 above (Package-5)

Government of Japan and Mongolia signed on Loan Agreement for Rehabilitation Project of the 4th Thermal Power Plant (Phase-2) on March 26, 2001.

(4) Detail of the major problems encountered

- Continental Climatic Condition. The coldest month throughout the year is January (up to minus 40 degee C) and hottest month July.
- As all the existing equipment and materials are designed and manufactured under former USSR standards, the method of connection and selection of material to mute existing ones are the great concerns.
- Language Barrier

2. Other Relevant Information

(1) Technical Information

All the equipment installed in the 4th Thermal Power Plant had been designed and manufactured by USSR (former). Table-1 is start-up date of boilers and turbine-generators

Table-1 Start-up Date of Boilers and Turbine-Generators

	Unit Number	Capacity	Start-up date
Boiler	1	420 T/H	30- 8-1983
	2	420 T/H	16- 1-1984
	3	420 T/H	9-12-1984
	4	420 T/H	25-12-1985
	5	420 T/H	27-12-1986
	6	420 T/H	31-10-1987
	7	420 T/H	7- 2-1990
	8	420 T/H	23-12-1991
Turbine and Generator	1	80 MW	18-10-1983
	2	100 MW	26-11-1984
	3	100 MW	27-12-1985
	4	100 MW	27-12-1986
	5	80 MW	17- 2-1990
	6	80 MW	25-12-1991

Although all boilers in the Power Plant are able to operate, the stable operations have not been achieved for a long period due to frequent troubles for mill system and boiler tubes. Based upon the study results conducted by SAPROF on August 1995, it was recommended to change the mill system from semi-direct system to direct firing system. According to recommendation, under the OECF rehabilitation project (Phase-1), the conversion of Mill System for Boiler No.1 to No. 4 to direct firing system has been fully completed. Technical specification for boiler, generator and old mill system listed in Table-2 to 4.

Table-2 Main Specification of Boiler

Manufacturer		USSR
Type		Indoor, radiant, single drum, natural circulation type
Unit No.		No. 1 to No..8
Boiler steam condition	Boiler Capacity	420 t/h (Superheater outlet)
	Steam Pressure	140 kgf/cm ² (14 Mpa) (Superheater outlet)
	Steam Temperature	560 deg.C (Superheater outlet)
Fuel used	Description	Mongolian coal (Baganuur, Shive-ovoo)
	Low Calorific Value	2,900 - 3,200 Kcal/kg
	Superheater	Pendant type
	Air heater	Tubular type
	Coal Burner (Numbers)	Corner firing (4 x 3 stages)
	ESP	Electrostatic type
	Ash treatment system	Slurry ash with water circulation system
	Coal Pulverizer (system)	Horizontal tube mill with flue gas drying system (2)
Pulverized coal firing system	Semi-direct mill storage bin (Blowing by primary fan)	
Ventilation System		Balanced draft

Table 3 Main Specification of Pulverized Coal Feed System

Firing system	Type	Semi-direct
1) Primary fan	Type:	Centrifugal
	Flow rate:	130 x 10 ³ m ³ /h
	Pressure:	737 kg/m ²
	Temperature:	75 deg C
	Motor outputs:	630KW/1500 rpm
	Concentration of pulverized coal at the outlet	44g/m ³ (measured value)
2) Mill (Coal pulverizer)	Type:	Low-speed horizontal tube mill
	Flow rate of coal:	Maximum 55 t/h rated 41.6 t/h
	Motor output :	1,600 KW
	Revolution:	17.2 rpm
	Number:	2/unit
3) Gas recirculation fan	Type:	Centrifugal
	Flow rate:	2,500 m ³ /min
	Discharge pressure:	0.04 kgf/cm ²
	Motor output :	400 KW
	Revolution:	1,000 rpm
	Number:	1/unit
4) Raw coal feeder	Type:	Volumetric, belt
	Flow rate of coal:	Max. 80 t/h
	Motor output :	11.8 KW
	Revolution:	300-1,500 rpm
	Width/Length:	1,100/7,000 mm
	Number:	2/unit

Table-4 Technical Data for Generator (Unit 1 to 4)

Description	Data
Nominal Capacity	125,000 KVA
Power Factor	0.8 (lagging)
Terminal Voltage	10.5 KV
Rated Current	6,875 A
Frequency	50 Hz
Revolution	3,000 rpm

(Note) As shown in Table-1, the turbine has a different capacity as per Unit No.

(2) Related Projects

Rehabilitation Project of the 4th Thermal Power Plant in Ulaanbaatar (Phase-1).

The project aimed to modernize the 4th Thermal Power Plant installing new mills of No. 1 to No. 4 boilers, their control system, replacement of boiler tubes and others. The rehabilitation project (Phase-1) was finished at the end of 1999.

INSTRUCTIONS TO APPLICANTS

Package-1 of Rehabilitation Project of the 4th Thermal Power Plant in Ulaanbaatar, Mongolia (Phase-2)

The 4th Thermal Power Plant

Date: November 1, 2001

- 1. Scope of Bid**
- 1.1 The 4th Thermal Power Plant (hereinafter referred to as the Purchaser) has received an ODA Loan from Japan Bank for International Cooperation, hereinafter referred to as the JBIC, in the amount of 6,139 million Yen toward the cost of Rehabilitation Project of the 4th Thermal Power Plant in Ulaanbaatar, Mongolia (Phase-2) on March 26, 2001, and intends to apply a portion of the proceeds of this loan to payments under the contract of Package-1 (conversion of existing semi-direct firing system for Boiler No.5 through No.8 to direct firing) for which this Invitation for Prequalification is issued. Disbursement of the ODA Loan by JBIC will be subject in all respects to the terms and conditions of the Loan Agreement, including the disbursement procedures and the "Guidelines for Procurement under JBIC ODA Loans." No party other than MOFE shall derive any rights from the Loan Agreement or have any right to the loan proceeds. The above Loan Agreement will cover only a part of the project cost. As for the remaining portion, MOFE will take appropriate measures for finance.
- 1.2 JBIC requires that bidders and suppliers, as well as MOFE, under contracts funded with JBIC ODA Loans and other Japanese ODA, observe the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, JBIC;
- (a) will reject a proposal for award if it determines that the bidder recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question;
 - (b) will recognize a supplier as ineligible, for a period determined by JBIC, to be awarded a contract funded with JBIC ODA Loans if it at any times determines that the supplier has engaged in corrupt or fraudulent practices in competing for, or in executing, another contract funded with JBIC ODA Loans or other Japanese ODA.
- 1.3 The Purchaser intends to prequalify suppliers for the following contract: Package-1 of Rehabilitation Project of the 4th Thermal Power Plant in Ulaanbaatar, Mongolia (Phase-2) as shown in Attachment 'General Project Description' attached on Invitation for Prequalification. It is expected that

Invitations to Bid for Package-1 will be made in January 2002.

- 1.4 Prequalification is open to firms and voluntarily formed joint ventures from all countries and areas.
- 1.5 The contract will be on a lump sum basis.

2. Submission of Applications

- 2.1 Submission of applications for prequalification must be received in sealed envelopes, either delivered by hand, courier or by registered mail not later than December 14, 2001 at

Ts. Altangadas (Project Manager)

Project Implementing Unit

The 4th Thermal Power Plant
P.O. Box 37
Ulaanbaatar, Mongolia

Phone : 976-11-633332
Fax : 976-11-633081
E-mail : piu4pp@mongol.net

and be clearly marked "Application to Prequalify for Package-1 of Rehabilitation Project of The 4th Thermal Power Plant in Ulaanbaatar, Mongolia (Phase-2). The Purchaser reserves the right to accept or reject late applications.

- 2.2 The name and mailing address of the Applicant shall be clearly marked on the envelope.
- 2.3 All the information requested for prequalification shall be answered in the English language. Where information is provided in another language, it shall be accompanied by a translation into English language, which will prevail and will be used for interpreting the information.
- 2.4 Failure to provide information that is essential to evaluate the Applicant's qualifications, or to provide timely clarification or substantiation of the information supplied, may result in disqualification of the Applicant.

3. Eligible Bidders

- 3.1 This invitation to prequalify is open to any bidder from all countries and areas.

4. Qualification Criteria

- 4.1 Prequalification will be based on meeting all the following minimum pass/fail criteria regarding the Applicant's general and particular experience, personnel capabilities and financial position, as demonstrated by the Applicant's responses in the forms attached to the Letter of Application (specific requirements for joint ventures are given under

Clauses 5.1 and 5.2 below). The Purchaser reserves the right to waive minor deviations if they do not materially affect the capability of an applicant to perform the contract.

4.2 When highly specialized inputs (essential for execution of the Contract) are required by the Applicant from specialist manufacturers, such manufacturers and their inputs shall be described in Application Form 1.

4.3 **General Experience.** The Applicant shall meet the following minimum criteria:

- (a) Average annual turnover during last five (5) years shall be over US\$ 2,000 million.
- (b) Five (5) projects relating to coal fired Power Plants (over 150 MW/Unit) with bowl mills in overseas during last five (5) years.

4.4 **Personnel Capabilities.** The Applicant must have suitable qualified personnel to fill the following positions. In Form 5, the Applicant will supply information on a prime candidate and on an alternate for each position, both people should meet the experience requirements specified below:

Position	Total Experience (years)	In Similar Works in overseas (number of project)
Project Manager	20	5
Site Manager	15	3
Engineer(s)	7	2

4.5 **Financial Position.** The Applicant should demonstrate that it has access to, or has available, liquid assets, unencumbered real assets, lines of credit, and other financial means sufficient to meet the manufacturing cost during the duration of contract, estimated as US\$ 50 million, net of the Applicant's commitments for other contracts.

4.6 The audited financial statements for the last five years shall be submitted and must demonstrate the soundness of the Applicant's financial position, showing long-term profitability. Where necessary, the Purchaser will make inquiries with the Applicant's bankers.

4.7 **Litigation History.** The Applicant should provide accurate information on any litigation or arbitration resulting from contracts completed or under its execution over the last five (5) years. A consistent history of awards against the Applicant or any partner of a joint venture may result in failure of the application.

5. Joint Ventures 5.1 Joint ventures must comply with the following requirements:

- (a) Following are the minimum qualification requirements:
 - (i) The lead partner shall meet not less than forty (40) percent of all the qualifying criteria given in Clause 4.3 and 4.5 above.
 - (ii) Each of the other partners shall meet individually not less than twenty five (25) percent of all the qualifying criteria given in Clause 4.3 and 4.5 above.
 - (iii) The joint venture must satisfy collectively the criteria of Clause 4.4 and 4.5, for which purpose the relevant figures for each of the partners shall be added together to arrive at the joint venture's total capacity. Individual members must each satisfy the requirements of Clause. 4.6 and 4.7 above.
- (b) The formation of a joint venture after prequalification, and any change in a prequalified joint venture, will be subject to the written approval of the Purchaser prior to the deadline for submission of bids. Such approval may be denied if (i) partners withdraw from a joint venture and the remaining partners do not meet the qualifying requirements; (ii) the new partners to a joint venture are not qualified, individually or as another joint venture; or (iii) in the opinion of the Purchaser, a substantial reduction in competition may result.
- (c) Any bid shall be signed so as to legally bind all partners, jointly and severally, and any bid shall be submitted with a copy of the joint venture agreement, as in Application Form 2a and 2b, providing the joint and several liabilities with respect to the contract.

5.2 The prequalification of a joint venture does not necessarily prequalify any of its partners individually or as a partner in any other joint venture or association. In case of dissolution of a joint venture, each one of the constituent firms may prequalify if it meets all of the prequalification requirements, subject to the written approval of the Purchaser.

6. Conflict of Interest

6.1 The Applicant (including all members of a joint venture) shall not be associated, nor have been associated in the past, with the consultant or any other entity that has prepared the design, specifications, and other prequalification and bidding documents for the Project. Any such association may result in the disqualification of the Applicant.

**7. Updating
Prequalifica-
tion
Information**

7.1 Bidders shall be required to update the financial information used for prequalification at the time of submitting their bids and to confirm their continued compliance with the qualification criteria. A bid shall be rejected if the Applicant's qualification thresholds are no longer met at the time of bidding.

8. General

8.1 Only firms and joint ventures that have been prequalified under this procedure will be invited to bid. A qualified firm or a member of a qualified joint venture may participate in only one bid for the contract. If a firm submits more than one bid, singly or in joint venture, all bids including that party will be rejected. This rule may not apply in respect of bids that include specialist manufacturers who are used by more than one bidder.

8.2 Bidders will be required to provide bid security in the form of a certified check, letter of credit, or a bank guarantee from a reputable bank of the Bidder's choice located in any eligible country for a amount of US\$ 600 thousand. The successful bidder will be required to provide performance security. Examples of acceptable forms will be supplied with the bidding documents.

8.3 The Purchaser reserves the right to

- (a) amend the scope and value of any contract to be bid, in which event the contract will only be bid among those prequalified bidders who meet the requirements of the contract as amended;
- (b) reject or accept any application; and
- (c) cancel the prequalification process and reject all applications.

The Purchaser shall neither be liable for any such actions nor be under any obligation to inform the Applicant of the grounds for them.

8.4 Applicants will be advised by the Purchaser in writing by fax or telex, within forty five (45) days of the date for submission of applications (Clause. 2.1 above), of the result of their application, and of the names of the prequalified applicants, without being assigned any reason for the Purchaser's decision.

LETTER OF APPLICATION

[letterhead paper of the Applicant or partner responsible for a joint venture, including full postal address, telephone no., fax no., telex no., and cable address]

Date.....

To: Ts. Altangadas (Project Manager)
Project Implementing Unit

The 4th Thermal Power Plant
P.O.Box 37
Ulaanbaatar, Mongolia

Ladies and/or Gentlemen,

1. Being duly authorized to represent and act on behalf of (hereinafter referred to as "the Applicant"), and having reviewed and fully understood all of the prequalification information provided, the undersigned hereby apply to be prequalified by yourselves as a bidder for the Package-1 of Rehabilitation Project of the 4th Thermal Power Plant in Ulaanbaatar, Mongolia (Phase-2).
2. Attached to this letter are copies of original documents defining¹:
 - (a) the Applicant's legal status;
 - (b) the principal place of business; and
 - (c) the place of incorporation (for applicants who are corporations), or the place of registration and the nationality of the owners (for applicants who are partnerships or individually-owned firms).
3. Your Agency and its authorized representatives are hereby authorized to conduct any inquiries or investigations to verify the statements, documents, and information submitted in connection with this application, and to seek clarification from our bankers and clients regarding any financial and technical aspects. This Letter of Application will also serve as authorization to any individual or authorized representative of any institution referred to in the supporting information, to provide such information deemed necessary and as requested by yourselves to verify statements and information provided in this application, such as the resources, experience, and competence of the Applicant.

¹ For applications by joint ventures, all the information requested in the prequalification documents is to be provided for the joint venture, if it already exists, and for each party to the joint venture separately. The lead partner should be clearly identified. Each partner in the joint venture shall sign the letter.

4. Your Agency and its authorized representatives may contact the following persons for further information²:

General and managerial inquiries	
Contact 1	Telephone 1
Contact 2	Telephone 2

Personnel inquiries	
Contact 1	Telephone 1
Contact 2	Telephone 2

Technical inquiries	
Contact 1	Telephone 1
Contact 2	Telephone 2

Financial inquiries	
Contact 1	Telephone 1
Contact 2	Telephone 2

5. This application is made with the full understanding that:

- (a) bids by prequalified applicants will be subject to verification of all information submitted for prequalification at the time of bidding;
- (b) your Agency reserves the right to:
 - amend the scope and value of any contracts bid under this project; in such event, bids will only be called from prequalified bidders who meet the revised requirements; and
 - reject or accept any application, cancel the prequalification process, and reject all applications.
- (c) your Agency shall not be liable for any such actions and shall be under no obligation to inform the Applicant of the grounds for them.

Applicants who are not joint ventures should delete Clauses 6 and 7 and initial the deletions.

² Applications by joint ventures should provide on a separate sheet equivalent information for each party to the application

PREQUALIFICATION

6. Appended to this application, we give details of the participation of each party, including capital contribution and profit/loss agreements, in the joint venture or association. We also specify the financial commitment in terms of the percentage of the value of the contract, and the responsibilities for execution of the contract.
7. We confirm that if we bid, that bid, as well as any resulting contract, will be:
- (a) signed so as to legally bind all partners, jointly and severally; and
 - (b) submitted with a joint venture agreement providing the joint and several liability of all partners in the event the contract is awarded to us.
8. The undersigned declare that the statements made and the information provided in the duly completed application are complete, true, and correct in every detail.

Signed	Signed
Name	
For and on behalf of (name of Applicant or lead partner of a joint venture)	For and on behalf of (name of partner)

Signed	Signed
Name	
For and on behalf of (name of partner)	For and on behalf of (name of partner)

Signed	Signed
Name	
For and on behalf of (name of partner)	For and on behalf of (name of partner)

GENERAL INFORMATION

All individual firms and each partner of a joint venture applying for prequalification are requested to complete the information in this form. Nationality information should be provided for all owners or applicants who are partnerships or individually-owned firms.

Where the Applicant proposes to use named manufacturers for critical components of the works (reference sub-clause 4.2 of the Instructions to Applicants), the following information should also be supplied for the specialist manufacturer(s), together with a brief description of their specialized input.

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

<i>Nationality of owners</i>		
<i>Name</i>		<i>Nationality</i>
1.		
2.		
3.		
4.		
5.		

GENERAL EXPERIENCE RECORD

Name of Applicant or partner of a joint venture

All individual firms and all partners of a joint venture are requested to complete the information in this form. The information supplied should be the annual turnover of the Applicant (or each member of a joint venture), in terms of the amounts billed to clients for each year for work in progress or completed, converted to U.S. dollars at the rate of exchange at the end of the period reported.

Use a separate sheet for each partner of a joint venture.

Applicants should not be required to enclose testimonials, certificates, and publicity material with their applications. They will not be taken into account in the evaluation of qualifications.

Annual turnover data		
Year	Turnover	US\$ equivalent
1.		
2.		
3.		
4.		
5.		

JOINT VENTURE SUMMARY

<i>Names of all partners of a joint venture</i>	
1. Lead partner	
2. Partner	
3. Partner	
4. Partner	
5. Partner	
6. Partner	

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

<i>Annual turnover data (US\$ equivalent)</i>						
<i>Partner</i>	<i>Form 2 page no.</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
<i>1. Lead partner</i>						
<i>2. Partner</i>						
<i>3. Partner</i>						
<i>4. Partner</i>						
<i>5. Partner</i>						
<i>6. Partner</i>						
<i>Totals</i>						

APPLICATION FORM (2b)

JOINT VENTURE AGREEMENT

To: Ts. Altangadas (Project Manager)
Project Implementing Unit

The 4th Thermal Power Plant
P.O.Box 37
Ulaanbaatar, Mongolia

The undersigned of this declaration of cooperation are by means of attached Powers of Attorney legally authorized to act with regard to Package-1 of Rehabilitation Project of the 4th Thermal Power Plant in Ulaanbaatar, Mongolia (Phase-2) and on behalf of their organizations.

They hereby declare:

1. that they will legalize a Joint Venture Agreement in case that a Contract for Package-1 of Rehabilitation Project of the 4th Thermal Power Plant in Ulaanbaatar, Mongolia (Phase-2) is awarded to their group;
2. that they have nominated _____ [*name of the lead partner*] as the Sponsor Firm of the group for the purpose of this Bid;
3. that they authorized Mr./Ms. _____ [*name of the person who is authorized to act as the Representative on behalf of the Joint Venture*] to act as the Bidder's Representative in the name and on behalf of their group.
4. that all partners of the Joint Venture shall be liable jointly and severally for the execution of the Contract;
5. that this Joint Venture is an association constituted for the purpose of the execution of Package-1 of Rehabilitation Project of the 4th Thermal Power Plant in Ulaanbaatar, Mongolia (Phase 2) under this Contract;
6. that if the Purchaser accepts the Bid of this Joint Venture, it shall not be modified in its composition or constitution until the completion of Contract without the prior consent of the Purchaser;
7. that each partner's share of the Work, stated as percentage of the total contract amount, shall be as follows:

PREQUALIFICATION

Name of Partner	Share of the Work (as percentage of the contract amount)
1. Lead Partner	
2. Partner	
3. Partner	
4. Partner	
Total	100

Give names and positions of the proposed Joint Venture Representatives, as well as organization's names and addresses:

1.	Name:	Signature
	Position:	Date
	Representative of: (Organization's Name)	

2.	Name:	Signature
	Position:	Date
	Representative of: (Organization's Name)	

3.	Name:	Signature
	Position:	Date
	Representative of: (Organization's Name)	

4.	Name:	Signature
	Position:	Date
	Representative of: (Organization's Name)	

5.	Name:	Signature
	Position:	Date
	Representative of: (Organization's Name)	

PARTICULAR EXPERIENCE RECORD

Name of Applicant or partner of a joint venture

To prequalify, the Applicant shall be required to pass the specified requirements applicable to this form, as set out in the "Prequalification Instructions to Applicants".

On a separate page, using the format of Form (3a), the Applicant is requested to list all contracts of a value at least equivalent to US\$ 150 million¹, of five (5) similar coal fired projects relating to coal fired Power Plants (over 150 MW /Unit) with bowl mills in overseas for which the Applicant wishes to qualify and undertaken during the last five years. The partners of a joint venture should provide details of similar contracts proportionate to their share in the joint venture. The value should be based on the currencies of the contracts converted into U.S. dollars, at the date of substantial completion, or for current contracts at the time of award. The information is to be summarized, using Form (3a), for each contract completed or under execution, by the Applicant or by each partner of a joint venture.

Where the Applicant proposes to use named subcontractors for critical components of the works, the information in the following forms should also be supplied for each specialist subcontractor.

¹ This amount shall be similar to the Applicants' or partner's contribution to the joint venture.

DETAILS OF CONTRACTS OF SIMILAR NATURE AND COMPLEXITY

Name of Applicant or partner of a joint venture

Use a separate sheet for each contract.

1.	Number of contract	
	Name of contract	
	Country	
2.	Name of Purchaser	
3.	Purchaser address	
4.	Nature of works and special features relevant to the contract for which the Applicant wishes to prequalify.	
5.	Contract role (check one) <input type="checkbox"/> Sole contractor <input type="checkbox"/> Management Contractor <input type="checkbox"/> Subcontractor <input type="checkbox"/> Partner in a joint venture	
6.	Value in specified currencies at completion, or at date of award for current contracts, <ul style="list-style-type: none"> • Total Contract Amount: _____ (name of currency) • Sub-Contract Amount (if the role was sub contractor): _____ (name of currency) • Responsible Contract Amount (if the role was partner in a joint venture): _____ (name of currency) _____ (percentage of share)% 	
7.	Equivalent value US\$	
8.	Date of award	
9.	Date of completion	
10.	Contract/subcontract duration (years and months) _____ years _____ months	
11.	Specified requirements	

**SUMMARY SHEET: CURRENT CONTRACT COMMITMENTS /
WORKS IN PROGRESS**

Name of Applicant or partner of a joint venture

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

<i>Name of contract</i>	<i>Value of outstanding work (current US\$ equivalent)</i>	<i>Estimated completion date</i>
1.		
2.		
3.		
4.		
5.		
6.		

PERSONNEL CAPABILITIES

Name of Applicant

For specific positions essential to contract implementation, applicants should provide the names of at least two candidates qualified to meet the specified requirements stated for each position. The data on their experience should be supplied in separate sheets using one Form (5a) for each candidate.

1.	Title of position PROJECT MANAGER
	Name of prime candidate
	Name of alternate candidate
2.	Title of position SITE MANAGER
	Name of prime candidate
	Name of alternate candidate
3.	Title of position ENGINEER (A)
	Name of prime candidate
	Name of alternate candidate
4.	Title of position ENGINEER (B)
	Name of prime candidate
	Name of alternate candidate

(Note) If necessary, add column to fill up another candidates.

CANDIDATE SUMMARY

Name of Applicant

Position	Candidate	
	Prime	Alternate
<i>Candidate information</i>	1. Name of candidate	2. Date of birth
	3. Professional qualifications	
<i>Present employment</i>	4. Name of employer Address of employer	
	Telephone	Contact (manager / personnel officer)
	Fax	Telex
	Job title of candidate	Years with present employer

Summarize professional experience over the last 20 years in reverse chronological order. Indicate particular technical and managerial experience relevant to the Project.

From	To	Company / Project / Position / Relevant technical and management experience

FINANCIAL CAPABILITY

Name of Applicant or partner of a joint venture

Applicants, including each partner of a joint venture, should provide financial information to demonstrate that they meet the requirements stated in the instructions to Applicants. Each applicant or partner of a joint venture must fill in this form. If necessary, use separate sheets to provide complete banker information. A copy of the audited balance sheets and statement of profit and losses should be attached.

<i>Banker</i>	Name of banker	
	Address of banker	
	Telephone	Contact name and title
	Fax	Telex

Summarize actual assets and liabilities in U.S. dollar equivalent (at the rates of exchange current at the end of each year) for the previous five years. Based upon known commitments, summarize projected assets and liabilities in U.S. dollar equivalent for the next two years, unless the withholding of such information is justified by the Applicant to the satisfaction of the Purchaser.

<i>Financial information in US\$ equivalent</i>	<i>Actual: previous five years</i>					<i>Projected: next two years</i>	
	1.	2.	3.	4.	5.	6.	7.
1. Total assets							
2. Current assets							
3. Total liabilities							
4. Current liabilities							
5. Sales							
6. Ordinary Profits							
7. Profits before taxes							
8. Profits after taxes							

PREQUALIFICATION

Specify proposed sources of financing to meet the cash flow demands of the Project, net of current commitments for other contracts (Instructions to Applicants, Clause 4.5)

<i>Source of financing</i>	<i>Amount (US\$ equivalent)</i>
1.	
2.	
3.	
4.	

Attach audited financial statements for the last five years (for the individual applicant or each partner of a joint venture).

Firms owned by individuals, and partnerships, may submit their balance sheets certified by a registered accountant, and supported by copies of tax returns, if audits are not required by the laws of their countries of origin.

Applicants should be requested to submit a bank reference letter from a reputable commercial bank to the effect that such bank certifies the financial capability of the applicants to meet their financial obligation to perform the said contract and considers to issue a specific line of credit when and if the contract is awarded to the applicants.

LITIGATION HISTORY

Name of Applicant or partner of a joint venture

Applicants, including each of the partners of a joint venture, should provide information on any history of litigation or arbitration resulting from contracts executed in the last five (5) years or currently under execution (Instructions to Applicants, Clause 4.7). A separate sheet should be used for each partner of a joint venture.

Year	Award FOR or AGAINST Applicant	Name of client, cause of litigation, and matter in dispute	Disputed amount (current value, US\$ equivalent)



**BIDDING DOCUMENTS
FOR
PACKAGE - 1**

**REHABILITATION PROJECT
OF
THE 4TH THERMAL POWER PLANT
IN
ULAANBAATAR, MONGOLIA

(PHASE-2)**

The 4th Thermal Power Plant

January 2002

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INVITATION FOR BIDS

Date: January 21, 2002
Loan No.: MON-P6

1. The Ministry of Finance and Economy (hereinafter referred to as MOFE) has received an ODA Loan from JAPAN BANK FOR INTERNATIONAL COOPERATION (hereinafter referred to as JBIC), in the amount of 6,139 million Yen towards the cost of Rehabilitation Project of The 4th Thermal Power Plant in Ulaanbaatar, Mongolia (Phase-2), signed on March 26, 2001 and intends to apply a portion of the proceeds of the loan to payments under the contract of Package-1 (conversion of existing semi-direct firing system for Boiler No.5 through No.8 to direct firing system), aiming to modernize the 4th Thermal Power Plant by installing new mills (the "Goods" and "services"). Disbursement of an ODA Loan by JBIC will be subject, in all respects, to the terms and conditions of the Loan Agreement, including the disbursement procedures and the "Guidelines for Procurement under JBIC ODA Loans". No party other than MOFE shall derive any rights from the Loan Agreement or have any claim to loan proceeds. The above Loan Agreement will cover only a part of the project cost. As for the remaining portion, MOFE will take appropriate measures for finance.
2. JBIC requires that bidders and contractors, as well as MOFE, under contracts funded with JBIC ODA Loans and other Japanese ODA, observe the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, JBIC;
 - (a) will reject a proposal for award if it determines that the bidder recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question;
 - (b) will recognize a contractor as ineligible, for a period determined by JBIC, to be awarded a contract funded with JBIC ODA Loans if it at any times determines that the contractor has engaged in corrupt or fraudulent practices in competing for, or in executing, another contract funded with JBIC ODA Loans or other Japanese ODA.
3. The 4th Thermal Power Plant (hereinafter referred to as Purchaser) now invites sealed bids from eligible bidders from all countries and areas for the supply of the Goods and Services for the purpose of the Project.
4. Interested eligible bidders may obtain further information on the bid form and inspect the bidding documents at the office of;

Ts. Altangadas (Project Manager)

Project Implementing unit
The 4th Thermal Power Plant
P.O Box 37
Ulaanbaatar, Mongolia

Phone : 976-11-633332
Fax : 976-11-633081
E-mail: piu4pp@mongol.net

5. A complete set of bidding documents may be purchased after January 21, 2002 by any interested prequalified bidder on the submission of a written application to the address specified in Clause 4 above and upon payment of a nonrefundable fee of US\$ 500 (USD five hundred).
6. The estimated date of award for Package-1 is July 15, 2002
7. All bids must be accompanied by a bid security of US\$ 600,000 (USD six hundred thousand only), and must be received in accordance with the Instructions to Bidders before 10:00 (local time) on April 1, 2002, and Envelope other than "B" will be publicly opened at 10:00 (local time) on April 1, 2002.
8. The 4th Thermal Power Plant will not be responsible for any costs or expenses incurred by bidders in connection with the preparation or delivery of bids.

Section I

INSTRUCTIONS TO BIDDERS

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Section I

INSTRUCTIONS TO BIDDERS

A. GENERAL

1. Source of Funds

1.1 The Ministry of Finance and Economy (hereinafter referred to as MOFE) has received an ODA Loan from JAPAN BANK FOR INTERNATIONAL COOPERATION (hereinafter referred to as JBIC) in the amount of 6,139 million Yen toward the cost of Rehabilitation Project of the 4th Thermal Power Plant in Ulaanbaatar, Mongolia (Phase-2), signed on March 26, 2001 and intends to apply a portion of the proceeds of the loan to payments under this contract of Package-1 (conversion of existing semi-direct firing system for Boiler No.5 through No.8 to direct firing system). Disbursement of an ODA Loan by JBIC will be subject, in all respects, to the terms and conditions of the Loan Agreement, including the disbursement procedures and the "Guidelines for Procurement under JBIC ODA Loans". No party other than MOFE shall derive any rights from the Loan Agreement or have any claim to loan proceeds. The above Loan Agreement will cover only a part of the project cost. As for the remaining portion, MOFE will take appropriate measures for finance.

1.2 JBIC requires that bidders and contractors, as well as the 4th Thermal Power Plant under contracts funded with JBIC ODA Loans and other Japanese ODA, observe the highest standard of ethics during the procurement and execution of such contracts. In pursuance of this policy, JBIC;

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

(b) will recognize a Supplier as ineligible, for a period determined by JBIC, to be awarded a contract funded with JBIC ODA Loans if it at any times determines that the Supplier has engaged in corrupt or fraudulent practices in competing for, or in executing, another contract funded with JBIC ODA Loans or other Japanese ODA.

2. Scope of Bid

2.1 The 4th Thermal Power Plant (hereinafter referred to as "the Purchaser") wishes to receive Bids for supply and delivery of the Goods and Services (hereinafter referred to as "the Works") described in Section IV hereof.

- 2.2 All Bids are to be completed and returned to the Purchaser in accordance with these Instructions to Bidders.
- 3. Eligible Bidders** 3.1 The Invitation for Bids is open to all prequalified suppliers from all countries and areas, meeting both of the following requirements:
- (a) a bidder (including all members of a joint venture) shall be from all countries and areas; and
 - (b) a bidder (including all members of a joint venture) shall not be one of the followings:
 - (i) a firm or an organization which has been engaged by the Purchaser to provide consulting services for the preparation related to procurement for or implementation of this project;
 - (ii) any associates/affiliates (inclusive of parent firms) of a firm or an organization mentioned in subparagraph (i) above;
 - (iii) a firm or an organization who lends, or temporarily seconds, its personnel to firms or organizations which are engaged in consulting services for the preparation related to procurement for or implementation of the project, if the personnel would be involved in any capacity on the same project.
- 4. Eligible Goods** 4.1 At the Purchaser's request, bidders may be required to provide evidence documents of the origin of the goods.
- 5. Qualification of the Bidder** 5.1 Irrespective of any submission of documents at the time of prequalification, the bidder shall submit the up-dated and endorsed application forms requested at the time of prequalification as a part of Forms in Section V. The Bidder shall also submit a written power of attorney authorizing the signatory of the bid to commit the bidder.
- 5.2 Bids submitted by a joint venture of two or more firms as partners shall comply with the following requirements.
- (a) the bid, and in case of a successful bid, the Form of Agreement, shall be signed so as to be legally binding on all partners;
 - (b) one of the partners shall be authorized to be in charge; and this authorization shall be evidenced by submitting a power of attorney signed by legally authorized signatories of all the partners;

- (c) the partner in charge shall be authorized to incur liabilities, receive payments and receive instructions for and on behalf of any or all partners of the joint venture;
- (d) all partners of the joint venture shall be jointly and severally liable for the execution of the Contract in accordance with the Contract terms, and a relevant statement to this effect shall be included in the authorization mentioned under (b) above as well as in the Bid Form and the Form of Agreement (in case of a successful bid); and
- (e) a copy of the agreement entered into by the joint venture partners shall be submitted with the bid

- 6 One Bid per Bidder** 6.1 Each bidder shall submit only one bid either by itself, or as a partner in a joint venture.
- 7. Cost of Bidding** 7.1 The bidder shall bear all costs associated with the preparation and delivery of its Bid, and the Purchaser will in no case be responsible or liable for those costs.
- 8. Assurance**
 - 8.1 The successful bidder will be required to give satisfactory assurance of its ability and intention to deliver the Goods, pursuant to the Contract, within the time set forth therein
 - 8.2 The successful bidder will be required to give satisfactory assurance of its ability and intention to deliver his supervising personnel pursuant to the Contract, at the appropriate time and/or upon the request of the Purchaser.
 - 8.3 To assure and confirm the information, the Bidder may request to investigate the Site at the address described in Invitation For Bids.
 - 8.4 The Bidder shall declare full awareness for the Tender, that he has been fully informed himself as to conditions at the Site and elsewhere affecting the performance or execution of the Works for preparation of his Bid.

B. THE BIDDING DOCUMENTS

- 9. Bidding Documents** 9.1 The bidding documents are those stated below, and should be read in conjunction with any Addenda issued in accordance with Clause 11.

Invitation for Bids

- I. Instructions to Bidders
- II. General Conditions of Contract

- III. Special Conditions of Contract
- IV. Technical Specifications
- V. Forms

9.2 The bidder is expected to examine the Bidding Documents, including all instructions, forms, terms and specifications. Failure to furnish all information required by the Bidding Documents or submission of a Bid not substantially responsive to the Bidding Documents, will result in the rejection of the Bid.

10. Clarification of Bidding Documents

10.1 Prospective bidders requiring any further information or clarification of the Bidding Documents may notify the Purchaser in writing or by fax (hereinafter, the term "fax" is deemed to include electronic transmission such as facsimile, cable, telex, and E-mail), at the Purchaser's mailing address indicated in the Invitation for Bids. The Purchaser will respond in writing to any request for information or clarification of the Bidding Documents, provided that it was received not later than 28 days prior to the deadline for the submission of Bids prescribed by the Purchaser. The Purchaser's response (including an explanation of the query) will be sent in writing or by fax to all prospective bidders who have received the Bidding Documents.

11. Amendment of Bidding Documents

11.1 At any time prior to the deadline for submission of Bids, the Purchaser may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective bidder, modify the Bidding Documents by issuing addendum.

11.2 The addendum shall be part of the Bidding Documents, pursuant to Clause 9.1, and shall be communicated in writing or by fax to all prospective bidders who have received the Bidding Documents, and will be binding on them.

11.3 In order to afford prospective bidders reasonable time in which to take the addendum into account in preparing their Bids, the Purchaser may, at its discretion, extend the deadline for the submission of Bids in accordance with Clause 25.

C. PREPARATION OF BIDS

12. Language of Bid

12.1 The Bid prepared by the bidder, and all correspondence and documents relating to the Bid exchanged between the bidder and the Purchaser, shall be written in the English language.

13. Documents Comprising the Bids

13.1 The Bid prepared by the bidder shall comprise the following components:

- (a) The bidder shall complete an original and five (5) copies of the Bid Form and the appropriate Price Schedules furnished in the Bidding Documents, in

accordance with Clauses 14 and 15;

- (b) documentary evidence establishing in accordance with Clause 16, that the bidder is qualified to perform the Contract if its Bid is accepted;
- (c) documentary evidence establishing, in accordance with Clause 17, that the Works to be supplied by the bidder conform to the Bidding Documents; and
- (d) Bid security furnished in accordance with Clause 18.
- (e) power of attorney

14. Bid Prices

14.1 The bidder shall complete the appropriate Price Schedules included herein, stating the unit prices, total price per item, the total amount and the expected countries of origin of the Goods to be supplied under the Contract.

14.2 Prices quoted in the Price Schedules should be entered separately in the following manner.

- (a) For Goods to be offered from within the Purchaser's country:
 - (i) the price of the Goods, quoted ex-factory, ex-warehouse or off-the shelf, as applicable, including all customs duties and sales and other taxes already paid or payable.
 - (ii) the price of inland transportation, insurance and other local costs incidental to delivery of the Goods to their final destination and unloaded at Site.
 - (iii) the price for custody at the Site
- (b) For Goods to be offered from outside the Purchaser's country:
 - (i) the price of the Goods (FOB port of loading)
 - (ii) the price of the Goods (CIF port of entry or DAF)
 - (iii) the price of inland transportation (including transportation cost, tax and duty, etc. which will be incurred by the third countries), insurance and other local costs incidental to delivery of the Goods from the port of entry to their final destination and unloaded at Site;
 - (iv) the price of custody at the Site.

- (c) the price for Supervision (during erection)

the price for Supervision by the Supplier's Supervisors shall include all expenses, taxes and duties (if applicable)

- (d) the price for test and commissioning, trial run at the Site

(Note) All duties and taxes imposed on the Goods by the Government of Mongolia under this contract are exempted.

- 14.3 Prices quoted by the bidder shall remain fixed and valid until completion of the Contract and will not be subject to variation on any account.

15. Currencies of Bid and Payment

- 15.1 Payment of the contract price shall be made in Japanese yen in which the bid price is expressed in the bid of the successful bidder.

16. Documents Establishing the Bidder's Qualifications to Perform the Contract

- 16.1 The documentary evidence of the bidder's qualifications to perform the Contract, if its Bid is accepted, shall establish to the Purchaser's satisfaction prior to award of Contract:

- (a) that, in the case of a bidder offering to supply Goods under the Contract which the bidder did not manufacture or otherwise produce, the bidder has been duly authorized by the Goods' manufacturer or producer to supply the Goods to or in the Purchaser's country;

- (b) that the bidder has the financial, technical and production capability necessary to perform the Contract;

- (c) that, in the case of a bidder not doing business within the Purchaser's country, the bidder is, or will be (if the Contract is awarded to it), represented by an agent in that country equipped and able to carry out the maintenance, repair and spare parts-stocking obligations prescribed by the Contract.

17. Documents Establishing the Works' Conformity to the Bidding Documents

- 17.1 The documentary evidence of the Works' conformity to the Bidding Documents may be in the form of literature drawings and data, and shall furnish:

- (a) a detailed description of the Goods' essential technical and performance characteristics;
- (b) a list, giving full particulars, including available sources and current prices, of all spare parts, special tools, etc., necessary for the proper and continuing functioning of the Goods for a period of three (3) years and
- (c) a clause-by-clause commentary on the Specifications, demonstrating the Works' responsiveness to those Specifications or a statement of deviations and exceptions to the provisions of the Specifications.

For purposes of the commentary to be furnished pursuant to subclause (c) above, the bidder shall note that standards for workmanship, material and equipment, and references to brand names or catalogue numbers, designated by the Purchaser in the Specifications, are intended to be *descriptive only and not restrictive*. Equipment or materials meeting the Japan Industrial Standards or other internationally accepted standards which ensure quality to or higher than the standards specified will also be accepted. The bidder may substitute other authoritative standards, brand names and/or catalogue numbers in its Bid, provided that it demonstrates to the Purchaser's satisfaction that the substitutions are equivalent or superior to those designated in the Specifications.

Brand names shall be specified only when specific spare parts are required or standardization is necessary.

17.2 In order to prove that the Goods offered are of acceptable quality and standard, the bidders shall furnish the documentary evidence that the Goods offered have been in production for at least 2 years and that a minimum of 3 units of similar firing type and capacity have been sold and have been in operation satisfactory to the end users for at least 4 years.

18. Bid Security

18.1 The bidder shall furnish, as part of its bid, a bid security in the amount of US \$ 600,000 (USD six hundred thousand).

18.2 The bid security shall, at the bidder's option, be in the form of a certified check, bank draft, standby letter of credit or guarantee from a reputable bank. The format of the bank guarantee shall be in accordance with the sample form of bid security included in Section V; other formats may be permitted, subject to the prior approval of the Purchaser. Letters of credit and bank guarantees issued as surety for

the bid shall be valid for 28 days beyond the validity of the bid.

- 18.3 Any bid not accompanied by an acceptable bid security shall be rejected by the Purchaser as nonresponsive.
- 18.4 The bid securities of unsuccessful bidders will be returned as promptly as possible, but not later than 28 days after the expiration of the period of bid validity.
- 18.5 The bid security of the successful bidder will be returned when the bidder has signed the Agreement and furnished the required performance security.
- 18.6 The bid security may be forfeited
 - (a) if the bidder withdraws its bid during the period of bid validity; or
 - (b) if the bidder does not accept the correction of its bid price, pursuant to Sub-Clause 31.3; or
 - (c) in the case of a successful bidder, if it fails within the specified time limit to
 - (i) sign the Agreement, or
 - (ii) furnish the required performance security

19. Period of Validity of Bid

- 19.1 Bids shall remain valid for 120 days after the date of bid closing prescribed by the Purchaser, pursuant to Clause 25.
- 19.2 Notwithstanding Clause 19.1 above, the Purchaser may solicit bidder's consent to an extension of the period of bid validity. The request and the responses thereto shall be made in writing or by fax. If the bidder agrees to the extension request, the validity of the bid security provided under Clause 18 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 or permitted to modify its Bid.

20. Alternative Bids

- 20.1 Bidders may offer specified alternatives and options for the Specification provided that the offers pursuant to the requirements of the Technical Specification are submitted. The attention of bidders is drawn to the provisions of Clause 31.4 regarding the rejection of Bids, which are not substantially responsive to the requirement of the Bidding Documents.

- 21. Bids for Plural Packages** 21.1 The bids for plural packages (two to four packages) by one bidder is acceptable. In this case, the bidders may offer any discount for the total bid prices. The discount will be considered at the last stage of evaluation provided that the discount is clarified in Tender Form.
- 22. Pre-bid Meeting** 22.1 The bidder or its nominated representative is invited to attend a pre-bid meeting which will take place at
- No.1 Conference room
Project Implementing Unit
The 4th Thermal Power Plant
P.O.Box -37, Ulaanbaatar, Mongolia
- Phone : 976-11-633332
Fax : 976-11-633081
E-mail : piu4pp@mongol.net
- in around February 2002.
- 22.2 The purpose of meeting will be clarify issues and to answer questions on any matter that may be raised at that stage.
- 22.3 The bidder is requested to submit any questions in writing or by fax, to reach the Purchaser not later than one week before the meeting.
- 22.4 Minutes of meeting, including the text of the questions raised and the responses given, will be transmitted without delay to all purchasers of the bidding documents.
- 23. Format and Signing of Bid** 23.1 The original Bid Form and accompanying documents (as specified in Clause 13), clearly marked "Original Bid", plus five (5) copies together with a Floppy Diskette or CD in which to enter the price schedules must be received by the Purchaser at the date, time and place specified pursuant to Clauses 24 and 25. In the event of any discrepancy between the original and the copies, the original shall govern. The input to the Floppy Diskette or CD should be in Windows 98 and Excel 97 or later edition. The data contained in the Floppy Diskette or CD will be used for ease of evaluation only.
- 23.2 The original and all 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 sign on behalf of the bidder. Written power-of-attorney accompanying the Bid shall indicate such authorization. All pages of the Bid, except for unamended printed literature, shall be initialed by the person

or persons signing the Bid. The name and position held by each person signing must be typed or printed below the signature.

- 23.3 The Bid shall contain no interlineations, erasures or overwriting except as necessary to correct errors made by the bidder, in which case such corrections shall be initialed by the person or persons signing the Bid.

D. SUBMISSION OF BIDS

24. Sealing and Marking of Bids

- 24.1 The Bids shall be composed of the following four (4) kinds of sealed inner envelopes

- (1) Envelope "A" (Technical Proposal)

Technical proposal includes all technical information on the equipment, system, characteristics and technical schedule included in Section IV.

- (2) Envelope "B" (Bid Price Proposal)

The bid prices of the offer and specified alternatives and options shall be included (Refer Form-1 of Section V)

The CD or Floppy Diskette for the Envelope "B" should be included in one of the envelope for the copies of the Bid.

- (3) Envelope "C" (Forms other than those enclosed in Envelope "B" above).

- (4) Envelope "D" (Other Documents)

If necessary, the general information such as general catalogue, etc. shall be enclosed in this Envelope.

- 24.2 The outer envelope shall:

- (a) be addressed to the Purchaser at the following address

Ts. Altangadas (Project Manager)

Project Implementing Unit
The 4th Thermal Power Plant
P.O.Box -37, Ulaanbaatar, Mongolia

Phone : 976-11-633332

Fax : 976-11-633081

E-mail : piu4pp@mongol.net

(b) bear the words "Package-1 of Rehabilitation Project of the 4th Thermal Power Plant in Ulaanbaatar, Mongolia (Phase-2),

; and

(c) bear the name and address of the bidder.

24.3 In addition to the information required in Clause 24.2 above, the inner envelope shall indicate the name and address of the bidder. to enable the Bid to be returned unopened in case it is declared "Late" pursuant to Clause 26.

25. Deadline for Submission of Bids

25.1 The original Bid, together with the required copies, must be received by the Purchaser at the address specified in Clause 24.2 before 10:00 (local time) on April 1, 2002.

25.2 The Purchaser may, at its discretion, extend the deadline for the submission of Bids by amending the Bidding Documents in accordance with Clause 11, in which case all rights and obligations of the Purchaser and bidders previously subject to the deadline will thereafter be subject to the deadline as extended.

26. Late Bids

26.1 Any Bid received by the Purchaser after the deadline for submission of Bids prescribed by the Purchaser, pursuant to Clause 25, will be declared "Late" and rejected and returned unopened to the bidder.

27 Modification and Withdrawal of Bids

27.1 The bidder may modify or withdraw its Bid after the Bid's submission; provided that written notice of the modification or withdrawal is received by the Purchaser prior to the deadline prescribed for submission of Bids.

27.2 The bidder's modification or withdrawal notice shall be prepared, sealed, marked and dispatched in accordance with provisions of Clause 24, with the outer and inner envelopes additionally marked "MODIFICATION" or "WITHDRAWAL", as appropriate. A withdrawal notice may also be sent by fax but must be followed by a signed confirmation copy.

27.3 No Bid may be modified subsequent to the deadline for submission of Bids.

27.4 No Bid may be withdrawn in the interval between the deadline for submission of Bids and the expiration of the period of bid validity specified by the bidder on the Bid Form.

E. BID OPENING AND EVALUATION

28. Opening of Bids by Purchaser

28.1 The Purchaser will open Bids except Envelope "B" (Bid Price Proposal) in the presence of bidders' representatives attend at 10:00 (local time) on April 1, 2002 and at the following location,

No.1 Conference Room

Project Implementing Unit
The 4th Thermal Power Plant
P.O.Box -37, Ulaanbaatar, Mongolia

Phone : 976-11-633332
Fax : 976-11-633081
E-mail : piu4pp@mongol.net

The bidders' representatives attended shall sign a register evidencing their attendance.

28.2 The bidders' names, bid withdrawals, and the presence or absence of the requisite bid security, and such other details as the Purchaser, at its discretion, may consider appropriate will be announced and recorded at the opening. The bidder's representatives will be required to sign the record.

28.3 Withdrawal of a bid during the interval between the deadline for submission of bids and the expiration of the period of bid validity specified in the Form of Bid may result in the forfeiture of the bid security pursuant to Clause 18.

28.4 Based on a criteria established on the electrical power consumption of auxiliary equipment, delivery period, the life of the consumable equipment, etc., the technical evaluation will be carried out.

28.5 Subsequent to the Technical Evaluation, the Envelope "B" (Bid Price Proposal) for the qualified bidder will be opened and evaluated.

29. Process to be Confidential

29.1 Information relating to the examination, clarification, evaluation and comparison of Bids and recommendations for the award of a contract shall not be disclosed to bidders or any other persons not officially concerned with such process. Any efforts by a bidder to influence the Purchaser's processing of Bids or award decisions may result in the rejection of the bidder's Bid. The request for clarification and the response shall be in writing or by fax, but no change in the price or substance of the bid shall be sought, offered or permitted except as required to confirm the correction of

arithmetic errors discovered by the Purchaser in the evaluation of the bids in accordance with Clauses 31.2/31.3.

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| 30. Clarification of Bids | 30.1 | To assist in the examination, evaluation and comparison of Bids, the Purchaser may, at its discretion, ask the bidder for a clarification of its Bid. All responses to request for clarification shall be in writing, and no change in the price or substance of the Bid shall be sought, offered or permitted. |
| 31. Preliminary Examination of Bids | 31.1 | The Purchaser will examine the Bids to determine whether they are complete, whether any computational errors have been made, whether required sureties have been furnished, whether the documents have been properly signed, and whether the Bids are generally in order. |
| | 31.2 | Arithmetical errors will be rectified on the following basis. If there is a discrepancy between the unit price and the total price per item that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price per item will be corrected. If there is a discrepancy between the Total Amount and the sum of the total price per item, the sum of the total price per item shall prevail and the Total Amount will be corrected. |
| | 31.3 | The amount stated in the Form of Bid will be adjusted by the Purchaser in accordance with the above procedure for the correction of errors and, shall be considered as binding upon the bidder. If the bidder does not accept the corrected amount of bid, its bid will be rejected, and the bid security may be forfeited in accordance with Sub-Clause 18.6 (b). |
| | 31.4 | Prior to the detailed evaluation, pursuant to Clause 32, the Purchaser will determine the substantial responsiveness of each Bid to the Bidding Documents including acceptable quality of the Goods offered, pursuant to Clause 17.2. A substantially responsive Bid is one which conforms to all the terms and conditions of the Bidding Documents without material deviation. |
| | 31.5 | A Bid determined as not substantially responsive will be rejected by the Purchaser and may not subsequently be made responsive by the bidder by correction of the non-conformity. |
| 32. Evaluation and Comparison of Bids | 32.1 | The Purchaser will evaluate and compare the Bids previously determined to be substantially responsive pursuant to Clause 31. |
| | 32.2 | The Purchaser's evaluation of a Bid will exclude and not take into account: |
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- (a) in the case of Goods partially or wholly manufactured within the Purchaser's country or Goods of foreign origin already located in the Purchaser's country; sales and other similar taxes which may be levied on the finished Goods if the Contract is awarded to the bidder;
- (b) in the case of Goods to be offered from outside the Purchaser's country; customs duties and other similar import duties and taxes which may be levied on the Goods by the Government of Mongolia if the Contract is awarded to the bidder; and
- (c) any allowance for price adjustment during the period of execution of the contract, if provided in the bid.

32.3 The comparison shall be of

- (a) the ex-factory / ex-warehouse / off-the-shelf price of the Goods to be offered from within the Purchaser's country (such price to include all costs as well as duties and taxes paid or payable on components and raw material incorporated or to be incorporated in the Goods) and
- (b) the DDP and unloaded at the Site price of the Goods to be offered from outside the Purchaser's country.
- (c) price for custody at the Site.
- (d) price for supervision for erection, test and commissioning and trail run at the Site.
- (e) the expense necessary during Warranty Period.

32.4 The envelope other than "B" will be publicly opened on the date and hours stipulated in Clause 28.1. After the technical evaluation, the envelope "B" will be opened at the informed time, date and place for the qualified bidder.

33. Contacting the Purchaser

- 33.1 Subject to Clause 30, no bidder shall contact the Purchaser on any matter relating to its Bid, from the time of bid opening to the time the Contract is awarded.
- 33.2 Any effort by a bidder to influence the Purchaser in the Purchaser's decision in respect of bid evaluation, bid comparison or Contract award will result in the rejection of the bidder's Bid.

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

34.1 The Purchaser reserves the right to accept or reject any Bid and to annul the bidding process and reject all Bids at any time prior to award of Contract, without thereby incurring any liability to the affected bidder or bidders or any obligation to inform the affected bidder or bidders of the grounds for the Purchaser's action.

F. AWARD OF CONTRACT

**35. Post-
qualification
and Award**

35.1 The Purchaser will determine to its satisfaction whether the bidder selected has submitted the lowest tender price, responsive Bid satisfactorily perform the Contract. The examination shall be carried out in accordance with the following Clauses 35.2 to 35.4 and Annex 1 of the Procurement Guidelines of JBIC ODA Loans.

35.2 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 qualification submitted by the bidder, pursuant to Clause 16, as well as such other information as the Purchaser deems necessary and appropriate.

35.3 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.

35.4 The Purchaser will award the Contract to the successful bidder whose Bid has been determined to be the lowest, responsive Bid, provided further that the bidder is determined to be qualified to satisfactorily perform the Contract.

**36. Notification of
Award**

36.1 The Purchaser will notify the successful bidder in writing by registered letter, or by fax to be confirmed in writing by letter, that its Bid has been accepted and on which basis the Bid has been accepted

36.2 The notification of award will constitute the formation of a contract, until the Contract has been effected pursuant to Clause 37.

**37. Signing of
Contract**

37.1 At the time of notification of award, the Purchaser will send the successful bidder the Contract Form provided in those Bidding Documents, incorporating all agreements between the parties.

37.2 Within fourteen (14) days of receipt of such Contract Form the successful bidder shall sign and date the Contract and return it to the Purchaser.

38. Performance Security

- 38.1 Within twenty-eight (28) days of the receipt of notification of award from the Purchaser, the successful bidder shall furnish the performance security, in accordance with the Conditions of Contract, in the Performance Security Form provided in the Bidding Documents or another form acceptable to the Purchaser.
- 38.2 Failure of the successful bidder to comply with the requirements of Clauses 37 or 38 shall constitute sufficient grounds for the annulment of the award and forfeiture of the bid security

Section II

GENERAL CONDITIONS OF CONTRACT

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Section II

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 Purchaser 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 the equipment, machinery, and/or materials which the Supplier is required to supply to the Purchaser under the Contract.
 - (d) "The Services" means those services ancillary to the supply of the Goods, such as transportation and insurance, provision of technical assistance, training, and other such obligations of the Supplier covered under the Contract.
 - (e) "The Purchaser" means the organization purchasing the Goods, as named in the Special Conditions of Contract.
 - (f) "The Purchaser's country" is the country named in the Special Conditions of Contract.
 - (g) "The Supplier" means the individual or firm supplying the Goods and Services under this Contract.
 - (h) "JBIC" means Japan Bank for International Cooperation.
 - (i) "The Project Site", where applicable, means the place or places named in the Special Conditions of Contract.
 - (j) "Day" means calendar day.
- 2. Use of Contract Documents and Information**
- 2.1. The Supplier shall not, without the Purchaser's prior written consent, disclose the Contract, or any provision thereof or any specification, drawings, pattern, sample of information furnished by or on behalf of the Purchaser 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.

- 2.2 The Supplier shall not, without the Purchaser's prior written consent, make use of any document or information specified in Clause 2.1 above, except for purposes of performing the Contract.
- 2.3 Any document, other than the Contract itself, specified in Clause 2.1 above, shall remain the property of the Purchaser and shall be returned (in all copies) to the Purchaser, on completion of the Supplier's performance under the Contract, if so required by the Purchaser.
- 3. Change Orders**
- 3.1 The Purchaser may at any time, by a written notice to the Supplier, 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 Purchaser; or
 - (b) the method of shipment or packing; or
 - (c) the place of delivery.
- 3.2 Upon notification by the Purchaser of such change, the Supplier shall submit to the Purchaser an estimate of cost for the proposed change (hereinafter referred to as the Change) within ten (10) calendar days of receipt of notice of the Change, and shall include an estimate of the impact (if any) of the Change on the delivery dates under the Contract, as well as a detailed schedule for the execution of the Change, if applicable.
- 3.3 The Supplier shall not perform changes in accordance with Clause 3.1 above until the Purchaser has authorized a Change Order in writing on the basis of the estimate provided by the Supplier as described in Clause 3.2 above.
- 3.4 Changes mutually agreed upon as a Change shall constitute a part of the Works under this Contract, and the provisions and conditions of the Contract shall apply to said Change.
- 4. Contract Amendments**
- 4.1 Subject to Clause 3, no variation in or modification of the conditions and terms of the Contract shall be made except by written amendment signed by the parties.
- 5. Subcontracts**
- 5.1 Supplier shall not subcontract all or any part of the Contract without first obtaining the Purchaser's approval in writing of the subcontracting and the subcontractor.
- 5.2 The Supplier guarantees that any and all subcontractors of the Supplier for performance of any part of the work under the Contract will comply fully with the terms of the Contract applicable to such part of the work under the Contract.

- 6. Eligibility of Goods** 6.1 Any contract under which Goods and Services are procured from countries other than the eligible source countries for the implementation of the project will be eligible for financing under JBIC ODA Loans if the combined costs of such Goods and Services are less than 50 percent of the price of the said contract.
- 7. Inspection and Tests**
- 7.1 The Purchaser or its representative shall have the right to inspect and/or to test the Goods to confirm their conformity to the Specifications. The Special Conditions of Contract and/or the Specifications shall specify what inspections and tests the Purchaser requires and where they are to be conducted. The Purchaser shall notify the Supplier in writing of the identity of any representatives retained for these purposes.
- 7.2 The inspections and tests may be conducted on the premises of the Supplier or its subcontractor(s), at point of delivery and at the Goods' final destination. Where 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 Purchaser.
- 7.3 Should any inspected or tested Goods fail to conform to the Specifications, the Purchaser may reject them, and the Supplier shall either replace the rejected Goods or make all alterations necessary to meet the requirements of the Specifications, free of cost to the Purchaser.
- 7.4 The Purchaser's right to inspect, test and, where necessary, reject the Goods after the Goods' arrival in the Purchaser's country shall in no way be limited or waived by reason of the Goods' having previously been inspected, tested and passed by the Purchaser or its representatives prior to the Goods' shipment from the country of origin.
- 7.5 Nothing in this Clause 7 shall in any way release the Supplier from any Warranty or other obligations under the Contract.
- 8. Packing**
- 8.1 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 shall 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.
- 8.2 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 the Special Conditions of Contract and in any subsequent instructions ordered by the Purchaser.

- 9. Delivery and Documents**
- 9.1 The Supplier in accordance with the terms specified in the Technical Specifications shall make delivery of the Goods. The details of shipping and/or other documents to be furnished by the Supplier are specified in the Special Conditions of Contract.
- 9.2 For purposes of the Contract, "EXW", "FOB", "FCA", "CIF", "CIP", and other trade terms used to describe the obligations of the parties shall have the meanings assigned to them by the International Chamber of Commerce, Paris, in the current edition of its publication commonly referred to as Incoterms.
- 10. Patent Rights**
- 10.1 The Supplier shall indemnify and hold the Purchaser harmless against all third-party claims of infringement of patent, trademark or industrial design rights arising from use of the Goods or any part thereof.
- 11. Performance Security**
- 11.1 The Supplier shall cause performance security to be furnished to the Purchaser in the amount indicated in the Special Conditions of Contract. Such performance security shall be provided, in a form satisfactory to the Purchaser and as indicated in clause 11.3 below, within thirty (30) days after the Supplier's receipt of the notification of award of contract.
- 11.2 The proceeds of the performance security shall be payable to the Purchaser as compensation for any loss resulting from the Supplier's failure to complete its work under the Contract. The Supplier shall cause the validity period of the performance security to be extended for such period(s) as the contract performance may be extended pursuant to Clause 16.2.
- 11.3 The performance security shall be denominated in a currency of the Contract, or in a freely convertible currency acceptable to the Purchaser, and shall be in one of the following forms:
- (a) a bank guarantee, issued by a bank acceptable to the Purchaser, or in such other form as is acceptable to the Purchaser; or
 - (b) a cashier's check, certified check, or cash, and/or
 - (c) Retention Money.
- 11.4 The performance security will be discharged/returned by the Purchaser not later than the warranty period as stated in clause 13.2.

- 12. Insurance** 12.1 All Goods supplied under the Contract shall be fully insured in a freely convertible currency against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery, in the manner specified in the Special Conditions of Contract.
- 13. Warranty** 13.1 The Supplier warrants to the Purchaser that the Goods supplied under the Contract will comply strictly with the Contract, shall be first class in every particular case and shall be free from defects. The Supplier further warrants to the Purchaser that all materials, equipment and supplies furnished by the Supplier or its subcontractors for the purpose of the Goods will be new, merchantable of the most suitable grade, and fit for their intended purposes.
- 13.2 This Warranty shall remain valid for twelve (12) months after the Goods, or any portion thereof, as the case may be, have been delivered and commissioned or for eighteen (18) months after the date of shipment from the port of loading in the country of origin, whichever period concludes earlier, unless specified otherwise in the Special Conditions of Contract.
- 13.3 The Purchaser shall promptly notify the Supplier in writing of any claim arising under this Warranty.
- 13.4 Upon receipt of such notice, the Supplier shall promptly repair or replace the defective Goods or parts thereof, without cost to the Purchaser other than, where applicable, the cost of inland delivery of the repaired or replaced Goods or parts from the port of entry to the final destination.
- 13.5 Without prejudice to Clauses 13.2 and 13.4 above, the Supplier shall promptly correct, at no cost to the Purchaser, any defect in any work of correction performed pursuant to Clauses 13.2 and 13.4 above, upon receipt of written notice of defect within twelve (12) months from acceptance of the corrected defect.
- 13.6 If the Supplier, having been notified, fails to remedy the defect(s) in accordance with the Contract, the Purchaser may proceed to take such remedial action as may be necessary, at the Supplier's expense. The Supplier's Warranty pursuant to this Clause 13 is without prejudice to any other rights or remedies, which the Purchaser may have against the Supplier under the Contract.
- 14. Payment** 14.1 The method and conditions of payment to be made to the Supplier under this Contract shall be specified in the Special Conditions of Contract.
- 14.2 The Supplier's request(s) for payment shall be made to the Purchaser in writing, accompanied by an invoice describing, as appropriate, the Goods delivered and Services performed, and by

documents submitted pursuant to Clause 9 and upon fulfillment of other obligations stipulated in the Contract.

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

14.4 The currency or currencies in which payment is made to the Supplier under this Contract will be made in the currency or currencies specified in the Bid Form.

15. Prices

15.1 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 change in price resulting from a Change Order issued in accordance with Clause 3, or if applicable, adjustments authorized in accordance with the price adjustment provisions specified in the Special Conditions of Contract.

16. Extensions in the Supplier's Performance

16.1 Delivery of the Goods shall be made by the Supplier in accordance with the Contract Execution Schedule, pursuant to the Special Conditions of Contract.

16.2 The Supplier may claim extension of the time limits as set forth in the Contract Execution Schedule in case of:

- (a) changes in the Goods ordered by the Purchaser pursuant to Clause 3;
- (b) delay of any materials, drawings or services which are to be provided by the Purchaser; services provided by the Purchaser shall be interpreted to include all approvals by the Purchaser under the Contract;
- (c) Force Majeure pursuant to Clause 23; and
- (d) delay in performance of work caused by orders issued by the Purchaser.

The Supplier shall demonstrate to the Purchaser's satisfaction that it has used its best endeavors to avoid or overcome such causes for delay, and the parties will mutually agree upon remedies to mitigate or overcome such causes for delay.

16.3 Notwithstanding Clause 16.2 above, the Supplier shall not be entitled to an extension of time for completion unless the Supplier, at the time of such circumstances arising, immediately has notified the Purchaser in writing of any delay that it may claim as caused by circumstances pursuant to Clause 16.2 above; and upon request of the Purchaser, the Supplier shall substantiate that the delay is due to the circumstances referred to by the Supplier.

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- 17. Liquidated Damages** 17.1 Subject to Clause 23, Force Majeure, 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 Purchaser 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 the Special Conditions of Contract of the delivered price of the delayed Goods or unperformed Services for each week or part thereof of delay until actual delivery of performance, up to a maximum deduction of the percentage specified in the Special Conditions of Contract. Once the maximum is reached, the Purchaser may consider termination of the Contract pursuant to Clause 18, Termination for Default.
- 18. Termination for Default** 18.1 The Purchaser may, without prejudice to any other remedy for breach of Contract, by written notice of default sent to the Supplier, terminate the Contract in whole or in part:
- (a) If the Supplier fails to deliver any or all of the Goods within the time period(s) specified in the Contract, or any extension thereof granted by the Purchaser, pursuant to Clause 16; or
 - (b) If the Supplier fails to perform any other obligation(s) under the Contract; and
 - (c) If the Supplier, in either of the above circumstances, does not cure its failure within a period of ten (10) calendar days (or such longer period as the Purchaser may authorize in writing) after receipt of a notice of default from the Purchaser specifying the nature of the default(s).
- 18.2 In the event the Purchaser terminates the Contract in whole or in part, pursuant to Clause 18.1 above, the Purchaser may procure, upon such terms and in such manner as it deems appropriate, goods similar to those undelivered, and the Supplier shall be liable to the Purchaser for any excess costs for such similar goods. Notwithstanding the above, the Supplier shall continue performance of the Contract to the extent not terminated.
- 19. Termination for Insolvency** 19.1 The Purchaser may at any time terminate the Contract by giving written notice to the Supplier, without compensation to the Supplier, if the Supplier becomes bankrupt or otherwise insolvent. Notwithstanding the above, such termination will not prejudice or affect any right of action or remedy which has accrued or will accrue thereafter to the Purchaser.
- 20. Termination for Convenience** 20.1 The Purchaser may, by written notice sent to the Supplier, 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 Purchaser's convenience, the extent to which performance of work
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under the Contract is terminated, and the date upon which such termination becomes effective.

20.2 The Goods that are complete and ready for shipment within thirty (30) days after the Supplier's receipt of notice of termination shall be purchased by the Purchaser at the Contract prices and on the other Contract terms. For the remaining Goods, the Purchaser may elect:

(a) to have any portion thereof completed and delivered at the Contract prices and on the other Contract term; and/or

(b) to cancel the remainder and pay to the Supplier an agreed amount for partially completed Goods and for materials and parts previously procured by the Supplier for the purpose of the Contract, together with a reasonable allowance for overhead and profit.

21. Resolution of Disputes

21.1 The Purchaser 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

21.2 If, after thirty (30) days from the commencement of such informal negotiations, the Purchaser and the Supplier have been unable to resolve amicably a Contract dispute, either party may require that the dispute be referred for resolution by arbitration by the mechanism described in the Special Conditions of Contract. The award shall be final and binding on the parties.

22. Applicable Law

22.1 The Contract shall be governed by and interpreted in accordance with the laws of the Purchaser's country.

23. Force Majeure

23.1 In the event that the Supplier or any of its subcontractors or the Purchaser is delayed in performing any of their respective obligations under the Contract, and such delay is caused by Force Majeure, including but not limited to war, civil insurrection, fires, floods, epidemics, earthquakes, quarantine restrictions and freight embargoes, such delay may be excused as provided in Clause 16, and the period of such delay may be added to the time of performance of the obligation delayed.

23.2 If a Force Majeure situation arises, the Supplier shall promptly notify the Purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the Purchaser 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.

24. Assignment

24.1 The Supplier shall not assign, in whole or in part, its obligations to perform under the Contract, except with the Purchaser's prior written consent.

25. Contract Language

- 25.1 The Supplier hereby represents that it has sufficient knowledge of the English language fully to understand the Contract. The Contract shall be in the English language, and all documentation related hereto will also be in the English language, except if otherwise specifically agreed in writing between the parties.
- 25.2 The Supplier shall bear all costs of translation to English and all risks of the accuracy of such translation.

26. Taxes and Duties

- 26.1 The Supplier shall be entirely responsible for all taxes, stamp duties and other such levies imposed outside the Purchaser's country.

27. Headings

- 27.1 Headings, whether of clauses or of other parts of the Contract, are for reference only and are not to be construed as part of the Contract.

28. Waiver

- 28.1 Failure of either party to insist upon strict performance by the other party of any provision of the Contract shall in no way be deemed or construed to affect in any way the right of that party to require such performance.