

# **Tender Documents for Supply of Services**



**Karachi Electric Supply  
Company Ltd.**

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# Disclaimer

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This Tender Document ('Tender') contains the terms and conditions based on which Karachi Electric Supply Company ('the Company') invites bids from interested parties ('Bidders') for the supply of services specified herein by the Company. Its principle purpose is to provide the Bidder(s) with information that shall form the basis of their bids. This Tender contains the minimum requirements and information desired by the Company. The contents hereof may be supplemented by the Company as it deems appropriate. Each Bidder may conduct its own investigations and analysis and check the accuracy, reliability and completeness of the information given in this Tender to its satisfaction. The Company makes no representation or warranty and shall incur no liability under any law, rules or regulations as to the accuracy, reliability or completeness of the Tender. The Company may, at its sole discretion but without being under any obligation to do so, update, improve or supplement the information in this Tender. This Tender shall not be deemed to constitute an agreement between the Company and the Bidders.

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# Terms And Conditions of Tender

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## **1. Definitions**

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- 1.1** In this Tender, the following words and expressions shall have the meaning hereby assigned to them:
- i.** **"Bidder"** shall mean any person, whether real or legal, that submits a bid for the supply of services under this Tender.
  - ii.** **"Bid"** shall mean the offer tendered by the Bidder in response to this Tender for the supply of Services governed by a contract.
  - iii.** **"Bid Bond"** shall mean the bid bond or any other instrument of security furnished by the Bidder as surety in accordance with this Tender.
  - iv.** **"Company"** shall mean the Karachi Electric Supply Company Limited or the Company', a company registered under the laws of the Islamic Republic of Pakistan and shall include its successors-in-interest or assigns.
  - v.** **"Company's Representative"** shall mean a duly authorized person who shall communicate and interact with the Bidder on the Company's behalf with respect to this Tender.
  - vi.** **"Completion Date"** shall mean the date on which the services hereunder are deemed duly performed.
  - vii.** **"Completion Period"** shall mean the period within which a successful Bidder shall have to perform the services hereunder.
  - viii.** **"Contract"** shall mean the contract to be executed between the Company and the successful Bidder for the provision of services contemplated in this Tender.
  - ix.** **"Bidder"** shall mean the person or company whose Tender has been accepted by the Company.
  - x.** **"Day"** shall mean a period of Twenty Four (24) hours mid night to mid night.
  - xi.** **"Location"** shall mean the place at which the services are to be performed.
  - xii.** **"Month"** shall mean a calendar month of the Christian era.

- xiii. **"Services"** shall mean the services to be provided by the successful bidder as required by this Tender.
- xiv. **"Specification(s)"** shall mean the standard, codes, or instructions issued with this Tender and any notification such as specifications approved in writing by the Company, and other specifications as may from time to time be furnished or approved in writing by the Company.
- xv. **"Sub-contractor"** shall mean any firm or person that may be engaged, with the Company's prior permission, by the successful Bidder to perform the part of the Services. Nothing contained herein however, shall be deemed or be construed to impose upon the Company, any obligation, liability or duty to a Sub-contractor or to create any contractual relation between any Sub-contractor and the Company. The successful Bidder shall continue to be primarily liable to the Company for performance of the Services.
- v. **"Substantial Completion Certificate"** shall mean the certificate issued by the Company's authorized representative on or after the completion of the Services except for attending to defects or maintenance requirements during the maintenance period(s) specified by the Company.
- vi. **"Time Schedule"** shall mean a graphical illustration of the time schedule for performance of various activities within the Services, as well as the commencement and completion date for Services.

## 2. Variation in Services

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- 2.1. No claims or adjustments shall be entertained on account of increase or decrease in the scope of Services that has not been duly authorized by the Company in writing. The Company may at any time, by a written notice to the Bidder, vary the scope of Services. Upon notification by the Company of such change, the Bidder shall submit to the Company an estimate of costs for the proposed variation within ten (10) calendar Days of receipt of notice of the variation, and shall include an estimate of the impact (if any) of the variation on the completion date as well as detailed schedule for the execution of the variation, if applicable.
- 2.2. Variations are binding upon the Bidder only if conveyed in writing by the Company's authorized representative. Variations mutually agreed upon shall constitute a part of the Services under the Contract.

### **3. Preparation of Bid**

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- 3.1.** All documentation shall be legible. Entries with lead pencil are not acceptable and corrections shall be avoided. In case of any correction, corrected entries must be properly signed and stamped.
- 3.2.** Prices of items that shall be used in the performance of the Services and shall be provided by the Bidder but that are chargeable to the Company at actual cost shall be quoted in the unit and price and currency as required by the Company. Commercial terms for such items must be clearly mentioned with price quoted in figures and words.
- 3.3.** Bids shall be rejected and Bidder may be penalized if documents and literature submitted by the Bidder is found to be tampered at any stage.
- 3.4.** Any discount or incentive offered by a Bidder must be clearly mentioned. Discount/incentive mentioned on a separate sheet or footnote shall not be considered for price comparison.
- 3.5.** The Bidder shall be solely responsible for all disciplinary matters of its staff and labor during execution of Services and shall bear all damages and losses caused to the Company or third parties due to the act, omission, negligence or misconduct of its staff and labor. Furthermore, Bidder shall be liable to pay at actual any amount claimed by the Company towards losses or damages of material, property and/or human resource. In case of failure to pay claimed amount, same shall be deducted automatically from the Bid Bond, performance bond, pending bills, or any other amount payable to Bidder by the Company on any account.
- 3.6.** If a Bidder intends for its principal to execute the Contract directly with the Company, the Bidder shall clearly state this fact in its Bid.
- 3.7.** The Company shall not reimburse any expenses incurred in preparation of Bids.
- 3.8.** The Bid and all subsequent correspondence shall be in English.
- 3.9.** Payment shall be made in Pakistani Rupees only, to the local Bidders. Therefore, the rates quoted by the Bidder, should be in Pakistani Rupees.
- 3.10.** The Company reserves the right to reject any or all Bids without assigning any reason. The Company also reserves the right to accept either whole or a part of any Bid and does not bind itself to accepting the lowest or any particular Bid.

## 4. Bid Submission

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- 4.1. If the Tender is solely for Services, the Bidder shall submit its Bid in one package along with a Bid Bond as stipulated herein. In the event that the Bidder shall provide equipment or material that shall be utilized in performing the Services, the Bidder shall submit its Bid in two (2) separate envelopes. One envelope shall contain the technical bid and the second one shall contain the commercial bid. Each envelope shall be marked accordingly. The technical bid shall not contain any prices and shall only give a description of the equipment or material that the Bidder shall provide. Both packages shall be submitted in separate sealed opaque envelopes. All Bids shall be clearly addressed as follows:

General Manager Procurement  
Procurement Department  
Karachi Electric Supply Company Limited  
11<sup>th</sup> Floor, State Life Building No. 11  
Abdullah Haroon Road  
Karachi, Pakistan

- 4.2. In case of Bids that are submitted in two envelopes as stipulated in clause 4.1 above, Bidders shall submit a Bid Bond along with the commercial bid. The technical bid shall be accompanied by a sample, supporting documents, brochures, leaflets, specifications and technical details, as required.
- 4.3. Bidders shall submit one (1) original and two (2) copies of each envelope of the Bid. Original and copies shall be clearly marked accordingly. In the event of any discrepancy between the original and copies, the original shall take precedence.
- 4.4. Original and all copies of the Bid shall be typed or written in indelible black ink and shall be numbered, signed and stamped by the Bidder's person authorized. Each envelope must also clearly show the Bid title and Bidder's name and address. Failing to comply with this requirement may result in rejection of the Bid and the Company's decision in this regard shall be final.
- 4.5. Bidders shall attach any commercial or technical exception with the Bid on Bidder's letterhead and shall mark it clearly as "Technical and Commercial Exceptions." If there are no exceptions, the Bidder shall attach a certificate of "No Exceptions" on its letterhead. Failure to attach either the exceptions or a certificate as stipulated shall be deemed to mean that all the technical and commercial conditions have been complied with by the Bidder.
- 4.6. Bids shall be deposited in the tender box kept at the Company's offices at 11<sup>th</sup> Floor on State Life Building Number 11, Karachi, on or before the due date and time mentioned by the Company but not later than 02:30 P.M. (11:00 A.M. in the month of Ramadan) on a working Day.

- 4.7. Bids submitted after the prescribed time shall be considered late and shall not be entertained. However, the Company may at its sole discretion accept delayed Bids keeping in view the reasons. Only the Company's General Manager, Procurement, in coordination with the tender opening committee of the Company can decide whether a reason is genuine or not.
- 4.8. Bids shall be submitted strictly in accordance with the requirements of this Tender. If the Bidder understands of any clause of this Tender is not certain, it shall submit its Bid based on its interpretation of such clause and attach an explanation to the effect with its Bid.

## 5. Validity

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Bids shall remain valid for acceptance for a period of ninety (90) days from the date of Bid opening. If the last date falls on a holiday, the validity shall be extended to the first working Day of the Company thereafter.

## 6. Bid Bond

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- 6.1. If the value of the Bid is greater than Fifty Thousand Rupees (Rs. 50,000) the Bidder shall furnish a Bid Bond strictly in accordance with the Company's approved format, in the form of an unconditional pay order, demand draft or bank guarantee issued only by a scheduled commercial bank operating in Pakistan, for an amount equivalent to two (2) percent of the total Bid value in case of prequalified or registered Bidders, and three (3) percent of the Bid value in case of unregistered Bidders. Bids that are not accompanied by a Bid Bond shall not be considered. Cash or cheque or a guarantee issued by an insurance company shall not be accepted.
- 6.2. The Bid Bond shall be valid for a period of one hundred and twenty (180) days from the date of Bid opening. Bid Bonds of unsuccessful Bidders shall be returned as soon as practicable. The successful Bidder's Bid Bond shall be retained by the Company until complete Services as defined in this Tender or till the submission of a performance bond prior to the execution of a Contract.
- 6.3. In the event that the successful Bidder refuses or fails to honor its Bid, the Company shall be at liberty to forfeit its Bid Bond. A Bid Bond submitted by a Bidder against any previous bids shall not be adjusted against its current Bid.

## **7. Rate**

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- 7.1.** The Bidder shall quote rates for each component of the Services as well as a lump sum price for the Services. In case of any discrepancy between a component's rate and the total charge for Services, the former shall prevail. The Service charges quoted by the Bidder shall remain fixed and no escalation whatsoever shall be permissible.
- 7.2.** The Bidders shall submit Bids that are firm, final and inclusive of all Government taxes, duties and levies (giving break up) as are applicable on date of Bid opening. In case of any change in rates by the federal, provincial or local government due to imposition of new taxes, change in existing tax rates or, or any other levies except for variation in currency exchange risk, in which case the rate differential shall be payable by the Company to the Bidder or refunded to the Company by the Bidder, as the case may be.
- 7.3.** In case of local non-prequalified/unregistered Bidders, documentary evidence of National Tax Number ("NTN") and General Sales Tax ("GST") registration number and the Bidder's profile indicating previous projects or services performed, shall be submitted by the Bidder along with the request for issuance of Tender Documents. Documentary evidence is required if the Bidder is exempt from GST or any other tax. Failure to submit required documents may disqualify Bidder from bidding.

## **8. Payment**

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- 8.1.** Upon execution of a Contract for Services between the successful Bidder and the Company, the latter shall pay the contract price in monthly installments within thirty (30) days of submission of valid invoice and satisfactory completion of Services in the invoiced month.
- 8.2.** The Company may withhold payment or, on account of subsequently discovered evidence, nullify the whole or part of any invoice to such extent as may be necessary to protect itself from loss on account of:
  - i. Defective Services not remedied.
  - ii. Claims filed or reasonable evidence indicating probable filling of claim.
  - iii. Failure of the Bidder to make payments properly to Sub-contractors.
  - iv. Damage to third parties caused by an act or omission of the Bidder.
- 8.3.** Payments in respect of additional Services shall be made on the basis of the mutually agreed rates.

## 9. Surety

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- 9.1. If the successful Bid's value is greater than Five Hundred Thousand Rupees (Rs 500,000) the successful Bidder shall submit a performance bond for an amount equivalent to ten (10%) percent of the total Bid value in the shape of an unconditional pay order or bank guarantee as per the Company's approved format ("Performance Bond"). In order to be acceptable, the Performance Bond must be issued by any scheduled bank of Pakistan with minimum long term rating of "A" as appearing on website of State Bank of Pakistan. Upon receipt of Performance Bond, after verification from issuing bank, Bid Bond shall be returned to Bidder.
- 9.2. The Performance Bond should be submitted within a period of thirty (30) days from the date of execution of a Contract and shall remain valid for twelve (12) months after completion of Services. The Bidder shall cause the validity period of the Performance Bond to be extended for such period(s) as required for the Contract performance.
- 9.3. If the successful Bidder fails to submit a Performance Bond within the specified time, a grace period of four (4) weeks shall be given to Bidder. However, during such grace period, a penalty of half a percent (0.5%) of total Bid value (including GST and all other taxes) per week shall be imposed on the Bidder. This penalty may be deducted from the Bid Bond, security deposit or any other amount payable to the Bidder by the Company. If the Bidder does not provide a Performance Bond within the grace period, the Company may reject its Bid or cancel the Contract, as the case may be, at the Bidder's risk and cost and Bid Bond may be forfeited.
- 9.4. The Company's right to recover damages from the successful Bidder for breach of Contract shall not be limited to the value of the Performance Bond. In the event the Bidder fails to execute a formal Contract or to submit the Performance Bond in the manner aforesaid and in the period specified, the Company shall be entitled to appropriate the Bidder's Bid bond without prejudice to the Company's right to claim any further loss or damage which may result to it by reason of the aforesaid default of the Bidder as if Contract is actually executed for the purpose of such claims.
- 9.5. The Performance Bond may be returned to the successful Bidder twelve (12) months after completion of Services and/or fulfillment of all contractual obligations by the Bidder.
- 9.6. The Company may, at its sole discretion, decide not to obtain a Performance Bond from the successful Bidder and in lieu thereof retain an amount equal to ten (10) percent of each invoice for the Services which shall be released after the warranty period after deduction of appropriate amounts on account of penalties, cost of remedying defects and any other charges under the Contract.

**10. Rights of the Company**

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The Company reserves the right to increase, decrease, delete or modify the Services being tendered. The Company may award either whole or part of this Tender to more than Bidders. The Company may reject any or all Bids without assigning any reason thereof. The Company is also not bound to accept the lowest financial Bid.

**11. Completion Period**

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Subject to any requirements as to completion of any portion of the Services before the completion of the whole of Services, the Services shall be completed within the specified completion period. The Services shall not be considered as completed until the Company has certified the same in writing. In the event that the completion is delayed due to variation in the scope of Services, force majeure, which in the Company's sole opinion, requires extension in completion time, it may extend the completion period upon receiving a written request to the effect from the successful Bidder. All such extensions shall be notified in writing by the Company's Representative.

**12. Substantial Completion Certificate (Where Applicable)**

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Upon completion of the Services, the Bidder shall give the Company a notice of completion asking the Company to inspect the Services, and after inspection the Company shall grant a "Certificate of Substantial Completion" provided that the Company may give such certificate with respect to any part of the Services before the completion of the whole of the Services and shall upon the written application of the Bidder give such certificate with respect to any substantial part of the Services which has been completed to the satisfaction of the Company. However, it shall be a condition precedent to the issue of Certificate of Substantial Completion that the Bidder shall indemnify the Company against any failure by the Bidder to have carried out and completed the Services in accordance with the Contract and shall warrant that the Services are complete in every respect and conform to the Contract.

**13. Warranty Period**

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The Bidder shall correct at its sole expense any defects or deficiencies in the Services during the six (6) months period from the date of the Certificate of Substantial Completion, as soon as it receives notification from the Company. If the

defects or deficiencies are not promptly remedied by the Bidder, the Company may proceed to have the defects or deficiencies remedied at the Bidder's risk, expense and the costs thereof shall be payable forthwith by the Bidder to the Company.

## **14. Safety of Persons**

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The Bidder shall be responsible to take all necessary precautions for the safety of its employees during the Services, and shall comply with all applicable safety laws and codes to prevent accidents or injury to persons on about or adjacent to the places where the Services are being performed. It shall comply with all laws, rules, orders and regulations relating to safety during the performance of the Services. The Bidder shall comply with any and all personnel safety regulations. Failure to comply with these instructions may result in Termination of the PO.

## **15. Liquidated Damages**

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If the Bidder fails to complete the Services or perform the Services specified in the Tender within the stipulated period, the Company, without prejudice to any other remedies, shall levy liquidated damages at the rate of half a percent (0.5%) of the Bid value, for every week until actual completion of the Services. The Company may deduct such liquidated damages from any due payments or bonds. However if such delay exceeds twenty (20) weeks, the Company reserves the right to terminate the Contract at the risk and cost of Bidder. The payment of liquidated damages shall not relieve the Bidder restrict the rights and entitlements of the Company for such default in any manner.

## **16. Bidder's Warranties**

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- 16.1.** The Bidder guarantees and warrants that it shall make good any defect or damage at its own expense provided such failure or defect is caused due to Services performed by the Bidder. The Bidder shall submit an undertaking on a judicial stamp paper that in the event of any loss of material and works owned by the Company or any damage or any mishap to material and works owned by the Company, the amount of loss shall be deducted from the Bidder's invoices amounts.
- 16.2.** The Bidder shall make good any damage or loss arising owing due to poor workmanship by repairing and/or replacing the said materials/works. In case of any damage which occurs due to poor performance of the Bidder, the Bidder shall provide services for the rectification of damage without any charges. The Bidder shall be held responsible for all losses and damage and all rectification and replacement of the same shall be at the Bidder's expenses and cost.

**17. Insurance**

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- 17.1. The Bidder shall be responsible for obtaining an all risk insurance policy to cover the Services and shall make good at its own cost, all losses or damages whether to lives, persons, or property of the Bidder, the Company or a third party from whatsoever cause, arising out of or in connection with the Services.
- 17.2. The Bidder shall arrange insurance approved by the Company fully to cover workmen compensation and other claims arising out of sickness, injury or death of its personnel rendering the Services and also to cover theft, loss of or damage to the Company's material in its possession and to indemnify the Company for third party claims for damage done or said to have been done to those persons or their property as a result of the Bidder's activities.

**18. Confidentiality**

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It is agreed by and between the Company and the Bidder that both the parties during the course of pendency of this Tender, shall maintain complete confidentiality and any or all information or data whether electronic, written or oral supplied or communicated by the parties to each other under this Tender or in respect of negotiation and preparation of a Contract. However, Information that is already in public knowledge shall not be privy to the ambit of confidentiality.

**19. Assignment**

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The Bidder shall not assign, in whole or in part, its obligations to perform under the Bid except with the Company's prior written consent. Upon giving written notice to the Bidder, Company may assign the Contract to its affiliates, joint-venturers and partners. The Company may assign the Contract to third parties, subject to Bidder's consent, which consent shall not be unreasonably withheld. The assignee shall take the place of Company and succeed to its rights and duties as from the date of assignment.

**20. Independent Party**

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The successful Bidder is and shall remain an independent party with exclusive control over its equipment, materials and personnel. The Bidder shall have no authority to act on behalf of Company nor shall Bidder have the power to bind the Company in any manner, and shall not be considered an agent, employee or partner of the Company. In the event of any irregularity in the Bidder's administrative and/or legal position, the Company shall have the right to terminate the Contract.

## 21. Escalation

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The Bid price shall not be subject to escalation due to any reason whatsoever, including without limitation, increase in prices of labor. Price fluctuation directly attributable to duties and taxes by federal, provincial or local governments shall be adjusted after the Bidder produces documentary evidence proving imposition of the said levies or taxes.

## 22. Governing Law

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This tender shall be governed by the laws of the Islamic Republic of Pakistan.

## 23. Use of the Company Logo

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Bidder must not use the Company's logo under any circumstances. Prequalified Bidders shall ensure that their employees or agents do not use the Company's logo on their identity cards or vehicles as the case may be. Any violation shall result in blacklisting of such Bidders with immediate effect.

## 24. Notices

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- 24.1.** All notices given with respect to this Tender shall be considered as given to the party to who addressed, respectively, if given in writing and delivered personally or sent by courier or registered mail, or by facsimile. Notices shall be effective as from the date of receipt thereof. The Parties may change their address by giving each other written notice to the effect at least fifteen (15) days before the change takes effect.
- 24.2.** All correspondence or documents generated in connection with Tender shall be in English and shall quote the Tender number and name of the project, where applicable.

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**Manager Procurement**

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**Deputy General Manager Procurement**

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**Signature & Stamp of Bidder**