

EXPORT-IMPORT BANK OF INDIA

Procurement under GOI Supported Lines of Credit (LOCs)

Dos and Don'ts for Procurement

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**PROCUREMENT UNDER GOI SUPPORTED LINES OF CREDIT (LOCs) EXTENDED
BY EXIM BANK**

Dos and Don'ts for Procurement

PREAMBLE

Procurement is an important part of any project implementation and the procurement decisions have far reaching consequences on the success of any project. The procuring authorities have a responsibility and accountability to ensure professionalism, economy, effectiveness and integrity in the procurement process. Moreover, procurement decisions can always come under suspicion and are subject to scrutiny as per audit procedures laid down by governments of the borrower and lenders' countries since it involves public money. This aspect becomes more critical especially under circumstances of failures and delays. Projects engaging public funds, therefore, calls for substantial responsibility on the players involved in procurement process.

Exim Bank finances projects and supply contracts under the GOI supported LOCs extended to overseas governments. As the procurement guidelines and practices vary from country to country, it is intended to provide some common ground rules, which can be followed for procurement under Exim Bank funded LOCs. Some Dos and Don'ts are listed in this document to guide the persons responsible for procurement related activities under the projects / contracts to be funded under an LOC. This is not an exhaustive list or manual for procurement. It is always advisable to consult procurement experts for any doubt.

Equally important is the initial phase of project selection by the Borrowing Governments and their designated agencies. The list of Dos and Don'ts also covers some aspects relevant to project selection phase.

A section on some frequently asked questions is also included herein. At the end of the document is a Glossary of terms, some of which are often used in tandem or as substitute of the other at a given stage of procurement process.

This document is a work in progress and is intended to achieve a purpose, which is, to provide a quick guidance and support to the persons who are dealing with procurement related activities under Exim Bank funded LOCs.

Dos and Don'ts

1. Project Selection Phase:

1.1. Selection of Projects:

Dos

1. Ensure compliance with requirements of goods / equipment / services to be sourced from India of upto at least 75% (or such other percentage as agreed under the LOC agreement) of the value of each contract sought to be financed under the LOC.
2. Ensure that a Detailed Project Report (DPR) is prepared for appraisal of the project for financing. In case, at application stage, the DPR has not been prepared, provide as many details as possible through a Project Outline, Feasibility Study, etc. to enable consideration of LOC approval.
3. Also, ensure to indicate, in the case of goods & services exports, details regarding the products/nature of services, the quantity required and the estimated cost in the DPR.
4. While preparing the DPR, ensure that the following points are addressed:
 - i) A detailed cost break-up along with detailed justification under each head.
 - ii) Complex projects to be broken down into packages/lots.
 - iii) Details of the land for the proposed project, as also, details of access / right of way to the site.
 - iv) Availability of basic resources viz. water and electricity, etc.
 - v) Availability and continuous supply of raw material post commissioning in close proximity of the site.
 - vi) Commitment from various Ministries of the borrower country for implementation of the project, such as tax exoneration, allotment of land, environmental clearances, work visas and security to Indian personnel, clearance of goods from the port authorities and its transportation to the site.
 - vii) The DPR would need to evaluate the technical and financial sustainability plan of the proposed project, the developmental benefits arising from the project and the capability of the host Government to ensure smooth handling of the project post implementation.
 - viii) The DPR may also specify the financial contribution (if any) of the borrower government and how it is proposed to be met.

- ix) Major deviations, if any, in DPR viz. change of site / location, scope of the project and other commercial terms may be decided upon prior to seeking the approval of GOI.
- x) The currency of the DPR should be uniform with the contract (preferably in USD).

Don'ts

1. Don't ignore the importance of a well prepared DPR with complete details of not only the project related works, goods and services and their cost estimates; but also details related to basic inputs and raw materials, utilities such as water, electricity and gas, technical and financial sustainability, taxation and its treatment and arrangements for financing the contribution of the borrower government for the project.
2. Don't submit DPR older than one year in case the submission is delayed immediately after its preparation. DPR may be updated before submitting it to GOI for approval.

2. Project Procurement Phase:

The broad stages for procurement process are:

- I. Basic Aspects of Project Implementation and Procurement under the Project.
- II. Identification of procurement items.
- III. Finalization of Specifications.
- IV. Prequalification.
- V. Bidding Documents.
- VI. Invitation, Receipt and opening of Bids
- VII. Evaluation and Award of Contract.
- VIII. Contract Implementation.

I. Basic Aspects of Project Implementation and Procurement under the Project **Dos**

1. Remember the need for economy and efficiency in project implementation, including procurement of goods, works and services.
2. Remember the importance of transparency in procurement process.
3. Ensure that the goods, works and services to be procured are of good quality and are compatible with the project requirements.
4. Ensure timely delivery of goods and completion of works and services.
5. Ensure competitive pricing for project viability and value for money.

6. Identify possibility of conflict of interest situations and take adequate steps for mitigation.
7. Ensure that procurement involved in project is identified clearly and a concise but realistic procurement plan is developed. Review and monitor progress periodically.
8. Ensure that allocation of land, statutory clearances, project related approvals and finances are met well in time, ahead of issue of bidding documents, but in any case before contract award.
9. Ensure that highest ethical standards are observed by all concerned during all stages of the LOC project cycle viz. project preparation, bidding, procurement and execution.
10. Ensure to conduct transparent and fair bidding process which should be clearly defined and details of which should be provided to Exim Bank in advance.
11. Ensure to forward a complete set of the prequalification criteria and tender documents to Exim Bank for its approval prior to the start of the tender process.
12. Ensure that contract is drawn up including all relevant, standard, specific clauses which adequately protect the interest of both buyers and sellers.

Don'ts

1. Don't ignore the Borrower's obligation and commitment towards diligent and efficient implementation of the project.
2. Don't avoid maintaining proper records and process details.
3. Don't indulge in over specifying the requirements that add to project cost with no significant value addition to achieving the project objectives.
4. Don't neglect obligation to monitor the progress of manufacturing/fabrication of goods, construction work and services to achieve timely implementation.
5. Don't take procurement decisions in favor of lowest price alone and don't ignore the importance of quality, performance and other aspects.

6. Don't hesitate to review and revise the procurement plan/ strategy at the earliest opportunity should it become clear that sufficient competition is lacking.

II. Identification of procurement items

Dos

1. Identify various goods, works and services to be procured under the project keeping in view their sequencing and relevance of availability at opportune time to meet the project implementation schedule.
2. Remember, it is always advisable to carry out a market research to be updated on sources of supply/ likely delivery/ completion time and cost estimates.
3. Identify critical equipment, works and services considering their manufacturing/ construction cycle and take early procurement action for such items.

Don'ts

1. Don't initiate procurement process for all items at once and phase the same in consonance with the sequence of project implementation. This will lead to unnecessary draw down of the loan and increase in interest cost. Also, the materials procured much in advance will lead to increase in storage costs and can be damaged if not properly stored.

III. Finalization of Specifications

Dos

1. Refrain from over-specifying. Review the specifications vis-a-vis the available sources of supply.
2. Ensure that technical specifications are sound and well-researched.
3. Ensure that the specifications are general and allow broadest competition and are based on widely accepted / acknowledged standards / codes and practices.
4. Consider sourcing equipment from Original Equipment Manufacturers (OEMs) thereby achieving price efficiency and ensuring timely after sales service and maintenance.

Don'ts

1. Don't hesitate to review and revise the specification at the earliest opportunity should it become clear that sufficient competition is lacking.
2. Don't specify brand names and don't use specifications picked from any branded products/ catalogues.
3. Don't customize or tailor make specifications to suit a particular/select manufacturer.

IV. Prequalification

Dos

1. Forward to Exim Bank complete project related information, necessary for Exim Bank to prepare a Prequalification document and to enable clear understanding for bidders to submit their applications for prequalification.
2. Ensure that eligibility of participation is limited to Indian entities registered in India and / or incorporated / established under any law in force in India.
3. Ensure that an entity is blacklisted by any multilateral agency such as United Nations and its organisations, World Bank and its affiliates, Asian Development Bank, African Development Bank, New

Development Bank, Inter-American Development Bank etc., or any authority in India or the borrowing country will not be eligible to participate for the period it is blacklisted.

4. Seek detailed information pertaining to past experience, financial performance, concurrent commitment, availability of experienced personnel, construction equipment, etc. to substantiate capability of bidder to undertake the work / supply.
5. Remember that the qualification of bidders will be updated at the time of evaluation of bids again during the tender process to establish that the successful bidder continues to be qualified for award of contract. All prequalified bidders will be required to provide update on the prequalification criteria along with their bids.

Don'ts

1. Don't start the process of prequalification unless the procurement in question is specified. This will help in preventing the prequalification exercise from going stale.

V. Bidding Documents

Dos

1. Provide a clear scope of work, broken down into phases culminating with milestones to be achieved on accomplishment of which payments will be made.
2. Provide complete information, necessary for bidders to prepare a bid.
3. Provide evaluation criteria explicitly in the bidding documents.
4. Provide uniform information to all participating Bidders, initially as well as at any subsequent occasion.
5. Ensure that the formats for seeking details pertaining to the bids are comprehensive.
6. Arrange, if required, pre-bid conferences, site visits to familiarise bidders with ground realities and gain enhanced understanding of project requirements.

Don'ts

1. Don't ask for infructuous information, which will not be used for evaluation of bids.
2. Don't provide any concessions to any specific set of bidders.

VI. Invitation, Receipt and opening of Bids

Dos

1. Allow sufficient time to bidders to prepare and submit their bids, in the first place itself, for wider participation and discourage too many extensions in the deadline for submission.
2. Open bids on the date and at time specified in the bidding documents, usually not later than a half hour delay, if any, after the deadline for submission of bids.
3. Open bids in the presence of bidders' representatives who present themselves for bid opening.
4. Return late bids unopened.
5. Read important aspects of bids and bid prices of each bidder.
6. Prepare a Statement of Bid Opening proceedings, recording details as read and get signatures of bidders' representatives present at the bid opening.

Don'ts

1. Don't disallow extension of date of submission on flimsy grounds unless it is absolutely impossible.
2. Don't keep the bids unopened for longer than the minimum possible time after deadline for receipt of the same.
3. Don't open bids received after the deadline.

VII. Evaluation and Award of Contract

Dos

1. Ensure confidentiality of the process of evaluation.
2. Evaluate bids against the pre-disclosed criteria (as specified in the bidding documents) only and no additional criteria should be applied.
3. Apply disclosed criteria uniformly to all bidders.

4. Ensure that the bid security submitted by the bidders is kept valid (by each bidder, including successful bidder) until the contract with successful bidder has been signed.
5. Return the security deposits of unsuccessful bidders promptly after the contract has been signed.
6. Award Contract within validity of bids and send notification of award to successful bidder together with contract form, promptly.
7. Notify other bidders of the result of the bid evaluation.
8. Forfeit bid security of the successful bidder, if he fails to furnish performance guarantee or fails to sign contract within stipulated time.
9. Ensure that the contract is finalized within 18 months after signing of the LOC.
10. Ensure that the draft contract is sent to Exim Bank for vetting prior to signing by the buyer and seller.

Don'ts

1. Don't allow or invite bidders to alter any material deviations or reservations stated in their bids.
2. Don't introduce any undisclosed factors for evaluation.
3. Don't delay return of bid securities to unsuccessful bidders after the contract award and signing events are completed.
4. Don't forget to publish award information as per the statutory requirements.

VIII. Contract Implementation

Dos

1. Insist and arrange to get the supplier/ contractor to furnish Performance Bank Guarantee within specified time and get the contract signed at the earliest.
2. Set up a dedicated Project Implementation Team reporting to higher authorities in relevant ministries of the borrower government.

3. Get conversant with the rights and obligations of both parties to the contract.
4. Keep track of the Owner/ Purchaser's obligations under the contract and arrange to fulfill the same in a timely manner.
5. Draw realistic delivery/ completion schedules against which milestone payments should be made to the contractors.
6. Track and monitor progress of the project at regular intervals to measure actual performance vis-a-vis planned performance.
7. Keep strict vigil on the changes in contractual quantities/ specifications suggested by contractors/ suppliers.
8. Ensure work to be carried out/ goods to be supplied, are in conformity with specifications and inspections/ tests which in turn must be planned and carried out in time.
9. Ensure that payments are linked to milestone achievements under the project.
10. Ensure to issue Payment Authorisations and forward Letter of Credit compliant documents for release of payments by Exim Bank.
11. Ensure deductions as applicable are made from bills/ invoices.
12. Process requests for time extensions and modifications as are considered appropriate promptly and in conformity with terms of contractual provisions.
13. If time extensions are granted, ensure that the requests for extension in validity of letters of credit are considered promptly.
14. If time extensions are granted, also ensure that validity of the guarantees issued on behalf of the contractor as per the contract provisions are extended covering the period of extensions.
15. Ensure that the contractor does not subcontract works/ sublet contract without prior approvals.
16. Set up suitable monitoring mechanism comprising borrower government's representatives, representatives of Exim Bank and officials of Indian Mission to ensure that the work on the project is executed as per the DPR without time or cost overruns.

17. Ensure that a status report on each project execution is submitted on quarterly basis till completion of the project by the executing authorities to MEA and Exim Bank.
18. Organize, at the instance of the Indian Mission, a joint site visit to ascertain the reasons for delay, if any, or on receipt of any complaint and initiate suitable redressal for smooth and timely project completion.
19. Ensure that all concerned officials/organizations take immediate action if any problems arise in execution of the contracts.
20. Ensure that necessary support and assistance is provided by borrower government's officials and contractors and consultants engaged with the project, to the Lender's Engineer if appointed by Exim Bank for independent monitoring of a project.
21. On completion of the project, ensure that a comprehensive Project Completion Report prepared by the executing agency covering the benefits derived/to be derived from the project, its socio-economic impact on borrower country / region where it was implemented, along with visual documentation and forward the same to the Indian Mission.
22. Allow GOI/Exim Bank to inspect all accounts, records and other documents relating to submission of bids and contract performance and to have them audited by the auditors appointed by GOI/Exim Bank, in case where such action should be required to be taken.

Don'ts

1. Don't permit any sub-contracting/ subletting of contracts to any agency that is not qualified to deliver.
2. Don't allow contractors to ship materials/ goods when civil infrastructure is not ready at the project site in the borrower country.
3. Don't change sites, requirements, specifications unless very necessary.
4. Don't issue payment authorization without being satisfied about completion of the milestone activity, the progress of the project as per the schedule, quality of work and goods supplied.
5. Don't ignore O&M related issues and training of local personnel for smooth operation of the project after completion.

Frequently Asked Questions (Procurement)

1. Question: *What is 'Conflict of Interest' and what determines its existence in a procurement process?*

Answer:

A 'Conflict of Interest' (COI) is a situation in which a person or organization is involved in multiple interests, financial interest, or otherwise, one of which could possibly corrupt the motivation of the individual or organization.

The presence of a conflict of interest is independent of the occurrence of impropriety. Therefore, a conflict of interest can be discovered and voluntarily defused before any corruption occurs. A widely used definition is: "A conflict of interest is a set of circumstances that creates a risk that professional judgment or actions regarding a primary interest will be unduly influenced by a secondary interest."

Primary interest refers to the principal goals of the profession or activity, such as the protection of clients, the health of patients, the integrity of research, and the duties of public office. Secondary interest includes not only financial gain but also such motives as the desire for professional advancement and the wish to do favors for family and friends, but conflict of interest rules usually focus on financial relationships because they are relatively more objective, fungible, and quantifiable. The secondary interests are not treated as wrong in themselves, but become objectionable when they are believed to have greater weight than the primary interests.

'Conflict of Interest' is a situation that has the potential to undermine the impartiality of a person because of the possibility of a clash between the person's self-interest and professional interest or public interest.

As such, the following situations in procurement process are considered as COI situations (reference World Bank Guidelines):

- a) A firm providing goods, works, services or non-consulting services resulting from or directly related to consulting services for the preparation or implementation of a project, whether by firm or its affiliates that control or are controlled by it or has a common control.
- b) A firm submitting more than one bid, either individually or as a joint venture, in a bidding process. This will result in both bids being rejected/disqualified.
- c) A firm (including its personnel) has a close business or family relationship with a professional staff of the Borrower (or its project implementation

- entity), who are directly or indirectly involved/ will be involved with the procurement or resulting contract in any way.
- d) A firm failing to comply with requirements of COI in a bidding document.

2. Question: *What is 'Collusion' and how to perceive existence of collusive practices in a procurement process?*

Answer:

Collusion is an arrangement between two or more parties, whether participating or not participating in a procurement process, whether directly or acting through an intermediary, so as to achieve an improper purpose, including to influence improperly the action of another party; to simulate competition; to establish bid prices at artificial/ non-competitive levels; or being privy to each other's' bid prices or other conditions/ stipulations/ contents and to manipulate bidding.

- Reference World Bank Guidelines

The tell-tale signs of existence of collusion are:

- Multiple bids by bidders with same address, telephone number, partners, directors, signatories to bids
- Bids having identical provision/ conditions, unit prices in a range, identical spelling mistakes, cuttings, arithmetical errors
- Prices way above estimates and number of bidders low (limited to two or three)
- It is likely that the lowest bidder will have some unacceptable deviations and a higher bid will require to be looked at, even when the number of bidders is sufficient
- The lowest bidder may decide to withdraw or not furnish Performance Guarantee if awarded requiring the borrower to look for awarding to the higher bidder

3. Question: *Why is it important to evaluate bids against a pre-disclosed criteria?*

Answer:

The purpose of a bidding process is to select one winner to be awarded the contract. The participating bidders expect a fair treatment and should be provided a fair and equitable playground to compete fairly. If the criteria is

explicitly clear and disclosed upfront, there shall reasonably be no ground for any participant to feel having been discriminated against.

4. Question: *Can we reject all bids in a bidding process?*

Answer:

The bidding documents clearly state that the Purchaser/ Employer has the right to reject any or all bids, without assigning any reason. However, such a blanket reservation is not exercised without basis. In situations, where there is no acceptable bid or the requirement has ceased to exist or if there are exceptional circumstances, rejection of all bids may be reasonable.

5. Question: *How much time should be allowed for bidders to submit bids?*

Answer:

The bidders require time to study the bidding documents, arrange for documents to establish their qualification and make estimates for working out bid prices. It will be in the interest of Purchaser/ Employer to get well prepared bids that are realistic and comprehensive, as well. As such, for simple item rate contracts, a time period of 4-6 weeks is considered appropriate; whereas for complex large contracts, requiring visits to sites of work to carry out surveys, collect and analyze data etc., bidding time up to 3 months may be required for bidders to be able to prepare and submit their bids.

6. Question: *If the evaluation / qualification criteria is found to be very strict resulting in no bidder or only a few bidders to qualify, should the criteria be relaxed to widen the competition?*

Answer:

It would not be advisable to relax criteria to qualify bidders. It is important, therefore, to specify a criteria that is realistic, such that a situation of this nature is not encountered. Yet, if no bidder is qualifying and it can be safely concluded that no other bidders would have participated in the process, if the relaxed criteria had been stated upfront, it may be examined if such a move will help, provided further that the procurement in question was critical and urgent for the project. Such a move shall, however, be always seem as questionable and a better course would always be to review the criteria and reissue bidding documents.

However, it may be kept in mind that this scenario will not present itself in case pre-qualification had been resorted to and is a hypothetical case for open bidding process.

7. Question: *Should all complaints received in a procurement process be examined?*

Answer:

Briefly stated, the answer is yes. Complaints are a very useful source of information of various malpractice / wrongful judgments/ mistakes in the procurement process and may point to inter-alia an error at the borrower's end also. It would be in the interest of the borrowers not to ignore complaints and examine the contents carefully and if and as necessary, investigate the same to arrive at a decision.

Moreover, borrower owes an obligation to be transparent and should therefore respond to the complainant stating that the issues brought out shall be examined before arriving at the result of evaluation. In view of the confidentiality requirements, it may not be advisable to divulge the action and provide details, but having examined and removed irritants caused by the issues raised in the complaint will ensure that any subsequent query of the complainant would be replied satisfactorily, after the results of the evaluation have been published in terms of the transparency requirements.

8. Question: *Is it required to examine an anonymous complaint?*

Answer:

As stated in the response to the previous question, complaints are a very useful source of information during the procurement process and it would be in the interest of the borrowers not to ignore even anonymous complaints; and examine and investigate the same to arrive at the right decision. However, when the details of the sender are not known, an acknowledgement/ response may not be possible.

Glossary of Procurement Terms

1. *'Transparency' and 'Confidentiality':*

'Transparency' in procurement process implies that the intent and practice adopted in the process are pre-disclosed amongst all participants and stated explicitly in documents issued uniformly to all participants.

'Confidentiality' on the other hand implies that the process adopted while evaluating submissions of various bidders, is not disclosed to anyone not reasonably required to be in the know of. It also implies not sharing information, which is privy in nature, amongst one another and also unconnected entities.

2. *'Lowest (Price) Bidder' and 'Lowest Evaluated Substantially Responsive Bidder'*

The 'Lowest Bidder', the bidder who submitted the lowest priced bid, as indicated by him in the schedule of prices, is often considered as the winner of the contract, as practiced in several establishments. In reality, the contract is best awarded only after a thorough scrutiny of bid.

The 'Lowest Evaluated Substantially Responsive Bidder' is one that has submitted a bid that is substantially compliant with all requirements of the bidding documents, has no material deviations, meets all qualification criteria and his bid price is the lowest, after making all adjustments in terms of arithmetical check, minor non-material non-conformities and other performance related parameters stated in the bidding documents.

3. *'Pre-qualification' and 'Post-qualification.'*

'Pre-qualification' is the process of preparing a list of bidders, to whom the bidding documents shall be issued. The process involves seeking details pertaining to the past performance, experience, financial capability and other capacity aspects of bidders ahead of issue a detailed document that require the various entities to submit a priced bid.

'Post-qualification' refers to bidding in one go, where under the bidders submit bids complete with details pertaining to the past performance, experience, financial, capability and capacity aspects of bidders along with a priced bid.

It, however, is important always to remember that irrespective of the pre-qualification having been done, a post-qualification of the successful bidder must precede award of contract.

4. *'Bidder' and 'Supplier/ Contractor'*

'Bidder' is the term representing the participants at the stage of bidding, who submit their bids for award of contract for supply and for works or services.

'Supplier' is the successful bidder in a bidding process for supply of goods and 'Contractor' is the successful bidder in a bidding process for execution of a works or services contract.

5. *'Bid Security', 'Performance Security' and 'Retention Money'*

'Bid Security' is an amount to be furnished by the bidder along with his bid as security towards his commitment to accept an award resulting out of the evaluation of bids submitted by all competing bidders. This amount is specified in the bidding documents and can be in various forms, such as Bank Guarantee, Bank Draft or any other acceptable mode, stated in the bidding document.

'Performance Security' is an amount specified in the bidding documents as a percentage of the contract amount, which is required to be furnished by the successful bidder upon his receiving a notification of contract award, towards his commitment to successfully perform the contract, including the defects liability period. This amount is usually to be furnished in the form of a Bank Guarantee from a reputed bank acceptable to the Employer/ Purchaser.

'Retention Money' is an additional amount recovered proportionately from each payment due to the contractor for works contracts, until completion of the whole works and is payable to the contractor upon issue of the completion certificate.

Definitions of Common Terms used in Standard Bidding Documents for “Goods” and “Works”:

- (a) The **Accepted Contract Amount** means the amount accepted in the **Letter of Acceptance** for the execution and completion of the **Works** and the remedy of any defects.
- (b) The **Activity Schedule** is a schedule of the activities comprising the construction, installation, testing, and commissioning of the **Works** in a lump sum contract. It includes a lump sum price for each activity, which is used for valuations and for assessing the effects of **Variations** and **Compensation Events**.
- (c) The **Adjudicator** is the person appointed jointly by the **Employer** and the **Contractor** to resolve disputes in the first instance, as provided for in General Conditions of Contract (GCC).
- (d) **PCC** means Particular Conditions of Contract.
- (e) **Bank** means the financing institution named in the **PCC**.
- (f) **Bill of Quantities** means the price and completed Bill of Quantities forming part of the **Bid**.
- (g) **Compensation Events** are those defined in GCC.
- (h) The **Completion Date** is the date of completion of the **Works** as certified by the **Project Manager**, in accordance with GCC.
- (i) The **Contract** is the Contract between the **Employer** and the **Contractor** to execute, complete, and maintain the **Works**. It consists of the documents listed in GCC.
- (j) In the context of goods procurement, **Contract** means the Contract Agreement entered into between the **Purchaser** and the **Supplier**, together with the **Contract Documents** referred to therein, including all attachments, appendices, and all documents incorporated by reference therein.
- (k) **Contract Documents** means the documents listed in the Contract Agreement, including any amendments thereto.
- (l) The **Contractor** is the party whose **Bid** to carry out the **Works** has been accepted by the **Employer**.

- (m) The **Contractor's Bid** is the completed bidding document submitted by the **Contractor** to the **Employer** at the time of bidding.
- (n) The **Contract Price** is the **Accepted Contract Amount** stated in the **Letter of Acceptance** and thereafter as adjusted in accordance with the **Contract**.
- (o) In the context of goods procurement, **Contract Price** means the price payable to the **Supplier** as specified in the **Contract Agreement**, subject to such additions and adjustments thereto or deductions therefrom, as may be made pursuant to the **Contract**.
- (p) **Completion** (in context of goods procurement), means the fulfillment of the **Related Services** by the **Supplier** in accordance with the terms and conditions set forth in the **Contract**.
- (q) **Days** are calendar days; months are calendar months.
- (r) **Day-works** are varied work inputs subject to payment on a time basis for the **Contractor's** employees and **Equipment**, in addition to payments for associated **Materials** and **Plant**.
- (s) A **Defect** is any part of the **Works** not completed in accordance with the **Contract**.
- (t) The **Defects Liability Certificate** is the certificate issued by **Project Manager** upon correction of defects by the **Contractor**.
- (u) The **Defects Liability Period** is the period named in the **PCC** and calculated from the **Completion Date**.
- (v) **Drawings** means the drawings of the **Works**, as included in the **Contract**, and any additional and modified drawings issued by (or on behalf of) the **Employer** in accordance with the **Contract**, include calculations and other information provided or approved by the **Project Manager** for the execution of the **Contract**.
- (w) The **Employer** is the party who employs the **Contractor** to carry out the **Works**, as specified in the **PCC**.
- (x) **Equipment** is the **Contractor's** machinery and vehicles brought temporarily to the **Site** to construct the **Works**.
- (y) **Goods** means all of the commodities, raw material, machinery and equipment, and/or other materials that the **Supplier** is required to supply to the **Purchaser** under the **Contract**.

- (z) **“In writing”** or **“written”** means hand-written, type-written, printed or electronically made, and resulting in a permanent record;
- (aa) The **Initial Contract Price** is the Contract Price listed in the Employer’s **Letter of Acceptance**.
- (bb) The **Intended Completion Date** is the date on which it is intended that the **Contractor** shall complete the **Works**. The **Intended Completion Date** is specified in the **PCC**. The Intended Completion Date may be revised only by the **Project Manager** by issuing an extension of time or an acceleration order.
- (cc) **Materials** are all supplies, including consumables, used by the **Contractor** for incorporation in the **Works**.
- (dd) **Plant** is any integral part of the **Works** that shall have a mechanical, electrical, chemical, or biological function.
- (ee) The **Project Manager** is the person named in the **PCC** (or any other competent person appointed by the Employer and notified to the **Contractor**, to act in replacement of the **Project Manager**) who is responsible for supervising the execution of the **Works** and administering the **Contract**.
- (ff) The **Project Site**, where applicable, means the place named in the **SCC**.
- (gg) **Purchaser’s Country** is the country specified in the **Special Conditions of Contract (SCC)**.
- (hh) **Purchaser** means the entity purchasing the **Goods** and **Related Services**, as specified in the **SCC**.
- (ii) **Related Services** means the services incidental to the supply of the goods, such as insurance, installation, training and initial maintenance and other such obligations of the **Supplier** under the **Contract**.
- (jj) The **Site** is the area defined as such in the **PCC**.
- (kk) **Site Investigation Reports** are those that were included in the bidding documents and are factual and interpretative reports about the surface and subsurface conditions at the **Site**.
- (ll) **SCC** means the **Special Conditions of Contract**.

- (mm) **Specification** means the Specification of the **Works** included in the **Contract** and any modification or addition made or approved by the **Project Manager**.
- (nn) The **Start Date** is given in the **PCC**. It is the latest date when the **Contractor** shall commence execution of the **Works**. It does not necessarily coincide with any of the Site Possession Dates.
- (oo) A **Subcontractor** is a person or corporate body who has a **Contract** with the **Contractor** to carry out a part of the work in the **Contract**, which includes work on the Site.
- (pp) In the context of goods procurement, **Subcontractor** means any person, private or government entity, or a combination of the above, to whom any part of the **Goods** to be supplied or execution of any part of the **Related Services** is subcontracted by the **Supplier**.
- (qq) **Supplier** means the person, private or government entity, or a combination of the above, whose bid to perform the **Contract** has been accepted by the **Purchaser** and is named as such in the Contract Agreement.
- (rr) The **Temporary Works** are works designed, constructed, installed, and removed by the **Contractor** that are needed for construction or installation of the **Works**.
- (ss) A **Variation** is an instruction given by the **Project Manager** which varies the Works.
- (tt) The **Works** are what the **Contract** requires the **Contractor** to construct, install, and turn over to the **Employer**, as defined in the **PCC**.

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