

**New Development Bank Funded Zhejiang Green Urban  
Infrastructure Development Project**

**Shengzhou City Urban and Rural Water Supply and  
Drainage Integration Project (Phase II)**

**Changle Water Treatment Plant Construction Works**

**Contract No.: SZ-CW-1**

# **Bidding Documents**

## **Open Competitive Bidding**

**Bid No.: 0733-19092122**

**Employer: Shengzhou Water Group Co., Ltd.**

**Tendering Agent: CITIC International Tendering Co., Ltd.**

**November 2019**

## Invitation for Bids (IFB)

Loan No.: 19CN01

Bidding No.: 0733-19092122

1. The People's Republic of China has received the loan from the New Development Bank toward the cost of New Development Bank Funded Zhejiang Green Urban Infrastructure Development Project—Shengzhou City Urban and Rural Water Supply and Drainage Integration Project (Phase II) and it intends to apply part of the proceeds of this loan to payments under the contract for Changle Water Treatment Plant Construction Works. Bidding is open to eligible bidders from member countries of NDB.

2. CITIC International Tendering Co., Ltd. (hereinafter referred to as "Tendering Agent"), authorized by Shengzhou Water Group Co., Ltd. (hereinafter referred to as "Employer"), now invites sealed Bid from all eligible and qualified Bidders for the following Works. The capital source of this project is loan of New Development Bank:

<b>Contract No.</b>	SZ-CW-1
<b>Contract Name</b>	Changle Water Treatment Plant Construction Works
<b>Source of fund</b>	New Development Bank
<b>Description of Major Works</b>	The Works is to build a water treatment plant on the mountain land on the southwest Nanshan Lake Resort Hotel. The total construction area is 16250 m <sup>2</sup> and the planned water supply scale is 30,000 ton/day. The water treatment plant adopts coagulation, precipitation, filtration and disinfection technology processes. The main construction components include newly-built structures (buildings), auxiliary facilities, civil Works for auxiliary roads, water pipes constructions and installation Works for related equipment etc. For details, please see the bill of quantities (please see Volume III of bidding document for details) and construction drawings.
<b>Construction Period (Month)</b>	18

3. Bidding will be conducted through the Open Competitive Bidding procedures.

The bidding is open to all eligible bidders in accordance with Chinese relevant bidding laws and regulations and the Procurement Policy of New Development Bank.

4. Interested eligible bidders may obtain further information from the contact information listed as below and inspect the Bidding Documents from November 14, 2019 to December 12, 2019, 9:00am~16:00pm.

5. The attention of prospective Bidders is drawn to the eligibility and conflict of interest provisions under ITB 4 of the Bidding Documents. All Bidders found to have a conflict of interest shall be disqualified.

6. Bidders shall meet the following qualification requirements; detailed information is provided in the Bidding Documents:

**(1) Qualification Certificate Requirements:** The bidder shall possess valid ① the Grade I or above level of Qualification Certificate for General Contracting of Municipal Public Construction; and ② the Grade II or above level of Qualification Certificate for General Contracting of Mechanical and Electrical Installation Engineering or Grade II or above level of Qualification Certificate for Professional Contracting of Construction Mechanical and Electrical Installation Engineering; and ③ the Work Safety Certificate.

Bidders registered in other member countries (except China) has to provide relevant equivalent certificates from equivalent authority. Along with documentary evidence of registration, bidders need to provide an undertaking that the certificate holds in their country are of equal importance as Chinese authorities and at any time while authenticating the submit certificate (by prospective bidders), if some misrepresentation or false declaration is found, The Employer is free to take any punitive action not limited to just cancellation of award, forfeiture of bid security, debarment from future participation or as deemed fit by the Employer.

**(2) Historical Financial Performance:** The bidder shall submit the audited balance sheets for the last Three [3] years (2016-2018) to demonstrate the current soundness of the bidder's financial position and its prospective long term profitability. As a minimum, a Bidder's net worth for the last three [3] years (2016-2018) calculated as the difference between total assets and total liabilities should

be positive.

**(3) Average Annual Construction Turnover:** The bidder shall demonstrate their minimum average annual turnover of CNY 82 million, calculated as total certified payments received for contracts in progress or completed, within the last THREE (3) years (2016-2018).

**(4) Financial Resources:** The Bidder shall demonstrate access to, or availability of, financial resources such as liquid assets, lines of credit, and other financial means, other than any contractual advance payments to meet: the cash-flow requirement of CNY 10 million + the overall cash flow requirements for this contract and its concurrent commitments.

**(5) Specific Experience Requirement:**

1) The bidder shall prove its participation as contractor, management contractor, or subcontractor, in at least TWO (2) municipal construction contracts on water treatment plant or waste water treatment plant within the last FIVE (5) years (2014.11-2019.11) (the completion date shall prevail), each with a value of at least CNY 40 million, that have been successfully and substantially completed and that are similar to the proposed Works.

2) For the above or other contracts executed during the period stipulated in 1) above, a minimum experience in the following key activities:

① The bidder shall have completed at least one contract on Civil Works for water or wastewater treatment plant with scale of no less than 30,000 ton/day (including 30,000 ton/day);

② The bidder shall have completed at least one contract on installation works for equipment like mechanical and electrical equipment etc. for water or wastewater treatment plant (there is no requirement on contract value).

**(6) Other Requirements:**

1) At the time of proposal submission and before contract award:

① the bidder shall not be listed in [www.creditchina.gov.cn](http://www.creditchina.gov.cn) as “Discredit Entity Subject to Enforcement for Default” and shall not be listed in “National Enterprise Credit Information Publicity System” as “Discredit Enterprises with Serious Law Violation Practice”;

②the bidder shall not be declared as ineligible by New Development Bank membership country;

③the bidder shall not be declared as ineligible by New Development Bank.

2) Joint Venture is not accepted for this project.

For other detailed information, please see the bidding documents.

7. Bids must be delivered to the address below at or before **09:30 a.m. December 13, 2019**. Late bids will be rejected. Bids will be opened in the presence of the bidders' representatives who choose to attend in person at the address below at **09:30 a.m. December 13, 2019**. All bids must be accompanied by a bid security of CNY 800,000 as specified in the bidding documents.

8. The Notice of Invitation for Bids for this project shall be published on [www.chinabidding.com](http://www.chinabidding.com), [www.chinabidding.com.cn](http://www.chinabidding.com.cn), [www.ndb.int/projects/project-procurement](http://www.ndb.int/projects/project-procurement), [www.cebpubservice.com](http://www.cebpubservice.com) and [www.zjpubservice.com](http://www.zjpubservice.com).

9. Any questions or complaints regarding the bidding process or contract award should be sent in writing to the Employer at e-mail account [ndbzszpmo@sina.com](mailto:ndbzszpmo@sina.com). Bidders are free to send copies of their communications on issues and questions to the institution named in the BDS at e-mail account [lusha.zhuang@ndb.in](mailto:lusha.zhuang@ndb.in). When the Employer does not respond promptly, or the communication is a complaint against the Employer, the bidders can also write to such institution directly.

10. Obtaining Bidding Document:

All interest bidders could take the following procedures (any one of them) from November 14, 2019 to December 12, 2019 (on working days) from 9:00am~11:30am and 1:00pm~17:00pm to obtain the bidding document:

(1) ① Using the bidder's valid CA digital certificate on Shaogxing Public Resources Trading Centre Shengzhou Sub-centre (Shengzhou Public Resources Trading Centre) to log in Shengzhou Public Resources Digital Trading System" (via <http://jyzx.szzj.gov.cn>), download the bidding document from this IFB. For potential bidders who do not have the CA digital certificate, it shall process the registration procedure in Shaogxing Public Resources Trading Centre Shengzhou Sub-centre (Shengzhou Public Resources Trading Centre) to obtain a CA digital certificate first;

②Using the bidder's bank account to transfer the complete bidding document fee of CNY 1500/set (non-refundable after transfer). Please indicate the brief name of the project contract and bidding No. when transferring. The Bidding Documents will be sent promptly via courier. No liability will be accepted for loss or late delivery.

(2) Prospective bidders can also purchase the bidding documents in person at Tendering Agent's address (4/F, No.17th Unit, Su Yuan, Beijing Friendship Hotel, No.1, South Zhongguancun Street, Haidian District, Beijing.)

11. The Employer and the Tendering Agent will not be responsible for any costs or expenses incurred by bidders in connection with the preparation or delivery of bids.

**Bid Opening:** Bids will be opened immediately after deadline for bid submission, at **09:30 a.m. on December 13, 2019 (Beijing time)**, in the presence of Bidders' designated representatives and anyone who choose to attend.

**Address for Submission of Bidding Documents:** Bid Opening Hall, Shaogxing Public Resources Trading Centre Shengzhou Sub-centre (Shengzhou Public Resources Trading Centre) (address: 3/F North Tower, International Convention Centre, 699 South Guanhe Road, Shengzhou City).

**Address for Bid Opening:** Bid Opening Hall, Shaogxing Public Resources Trading Centre Shengzhou Sub-centre (Shengzhou Public Resources Trading Centre) (address: 3/F North Tower, International Convention Centre, 699 South Guanhe Road, Shengzhou City).

**Contact Information:**

**The Employer: Shengzhou Water Group Co., Ltd.**

Address: 74 Yashi Road, Shengzhou City, Zhejiang Province

Attention: Mr. QIU

Tel: 0575-83290180

Fax: 0575-83292154

E-mail: ndbzjszpmo@sina.com

**The Tendering Agent: CITIC International Tendering Co., Ltd.**

Address: 4/F, No.17th Unit, Su Yuan, Beijing Friendship Hotel, No.1, South Zhongguancun Street, Haidian District, Beijing.

Attention: Ms. ZHANG Yue & Ms. LI Yitang

Tel: 010-68732196

Fax: 010-68940233

E-mail: zhangy@biddingcitic.com, liyt@biddingcitic.com

Account No.: 7110210182600030709

Name of account: CITIC International Tendering Co., Ltd.

Bank name: China CITIC Bank, Beijing Capital Mansion Sub-branch

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# **PART 1 – Bidding Procedures**

# Section I - Instructions to Bidders

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# Section I - Instructions to Bidders

## A. General

1. **Scope of Bid** The Employer, as **indicated in the BDS**, issues this Bidding Document for the procurement of the Works as specified in Section VI (Employer's Requirements). The name, identification, and number of contracts of this Bidding are **provided in the BDS**.

Throughout this Bidding Document:

(a) the term "in writing" means communicated in written form (e.g. by mail, e-mail, fax, telex) and delivered against receipt; and

(b) "day" means calendar day.

2. **Source of Funds** The Employer intends to use the funds **as defined in the BDS** towards the cost of the Project **defined in the BDS**. The Employer intends to apply a portion of the funds to eligible payments under the contract for which these Bidding Documents are issued.

3. **Corrupt and Fraudulent Practices** Chinese anticorruption policy requires the Employer, as well as Bidders, suppliers, and contractors and their agents (whether declared or not), personnel, subcontractors, sub-consultants, and service providers observe the highest standard of ethics during the procurement and execution of such contracts.

In pursuance of this policy, the terms and sanction actions for fraud and corruption are **detailed in the BDS**.

Bidders shall be aware of the provisions stated in the Clause 58.2 (h) of Section VII of the General Conditions of Contract.

4. **Eligible Bidders** A Bidder may be a private entity, or state-owned entity - subject to ITB Sub-Clause 4.5 - or any combination of them in the form of a joint venture (JV), under an existing agreement, or with the intent to constitute a legally enforceable joint venture. In the case of a JV:

(a) All parties to the JV shall be jointly and severally liable; and

(b) A JV shall nominate a Representative who shall have the authority to conduct all business for and on behalf of any and all the parties of the JV during the Bidding

process and, in the event the JV is awarded the Contract, during contract execution.

- 4.2 A Bidder, and all parties constituting the Bidder, shall have the nationality **as specified in Section V**. A Bidder shall be deemed to have the nationality of a country if the Bidder is a citizen or is constituted, or incorporated, and operates in conformity with the provisions of the laws of that country. This criterion shall also apply to the determination of the nationality of proposed subcontractors or suppliers for any part of the Contract including related services.
- 4.3 A Bidder shall not have a conflict of interest **as defined in the BDS**. All Bidders found to have a conflict of interest shall be disqualified. A Bidder may be considered to have a conflict of interest with one or more parties in this Bidding process, if, but not limited to:
- (a) they have a controlling partner or controlling shareholders in common; or
  - (b) they receive or have received any direct or indirect subsidy from any of them; or
  - (c) they have the same legal representative for purposes of this Bid; or
  - (d) they have a relationship with each other, directly or through common third parties, that puts them in a position to have access to information about or influence on the Bid of another Bidder, or influence the decisions of the Employer regarding this Bidding process; or
  - (e) a Bidder participates in more than one Bid in this Bidding process. Participation by a Bidder in more than one Bid will result in the disqualification of all Bids in which the party is involved. However, this does not limit the inclusion of the same subcontractor, not otherwise participating as a Bidder, in more than one Bid; or
  - (f) a Bidder or any of its affiliates participated as a consultant in the preparation of the design or technical specifications of the contract that is the subject of the Bid; or
  - (g) a Bidder, or any of its affiliates has been hired, or is proposed to be hired, by the Employer as Project Supervisor for the contract.
- 4.4 A Bidder that is under a declaration of ineligibility by the authorities specified in the **BDS**, at the date of the deadline

for Bid submission or thereafter, shall be disqualified.

- 4.5 Government-owned enterprises in China shall be eligible only if they can establish that they (i) are legally and financially autonomous, (ii) operate under commercial law, and (iii) are not a dependent agency of the Employer.
- 4.6 Bidders shall provide such evidence of their continued eligibility satisfactory to the Employer, as the Employer shall reasonably request.
- 4.7 In case a prequalification process has been conducted prior to the Bidding process, this Bidding is open only to prequalified Bidders.
- 4.8 Additional eligibility criteria of Bidders specific to the contracts financed by World Bank or Asian Development Bank is specified in the BDS.

**5. Eligible Materials, Equipment and Services**

- 5.1 The materials, equipment and services to be supplied under the Contract shall have their origin in eligible source countries as defined in Section V, Eligible Countries, and all expenditures under the Contract will be limited to such materials, equipment, and services. At the Employer's request, Bidders may be required to provide evidence of the origin of materials, equipment and services.
- 5.2 For purposes of ITB Clause 5.1 above, "origin" means the place where the materials and equipment are mined, grown, produced or manufactured, and from which the services are provided. Materials and equipment are produced when, through manufacturing, processing, or substantial or major assembling of components, a commercially recognized product results that differs substantially in its basic characteristics or in purpose or utility from its components.

**B. Contents of Bidding Document**

**6. Sections of Bidding Document**

- 6.1 The Bidding Document consists of Parts 1, 2, and 3, which include all the Sections indicated below, and should be read in conjunction with any Addenda issued in accordance with ITB Clause 8.

**PART 1 Bidding Procedures**

- Section I - Instructions to Bidders (ITB)
- Section II - Bid Data Sheet (BDS)
- Section III - Evaluation and Qualification Criteria
- Section IV - Bidding Forms
- Section V – Eligible Countries

**PART 2 Requirements**

Section VI – Employer’s Requirements

**PART 3 Contract**

Section VII - General Conditions of Contract  
(GCC)

Section VIII - Particular Conditions of Contract  
(PCC)

Section IX - Contract Forms

6.2 The Invitation for Bids issued by the Employer is not part of the Bidding Document.

6.3 The Employer is not responsible for the completeness of the Bidding Document and their Addenda, if they were not obtained directly from the Employer.

6.4 The Bidder is expected to examine all instructions, forms, terms, and specifications in the Bidding Document. Failure to furnish all information or documentation required by the Bidding Document may result in the rejection of the Bid.

**7. Clarification of Bidding Document, Site Visit, Pre-Bid Meeting**

7.1 A prospective Bidder requiring any clarification of the Bidding Document shall contact the Employer in writing at the Employer’s address **indicated in the BDS** or raise his inquiries during the pre-Bid meeting if provided for in accordance with ITB Sub-Clause 7.4. The Employer will respond in writing to any request for clarification, provided that such request is received prior to the deadline for submission of Bids, within a period **given in the BDS**. The Employer shall forward copies of its response to all Bidders who have acquired the Bidding Document in accordance with ITB Sub-Clause 6.3, including a description of the inquiry but without identifying its source. Should the Employer deem it necessary to amend the Bidding Document as a result of a request for clarification, it shall do so following the procedure under ITB Clause 8 and ITB Sub-Clause 22.2.

7.2 The Bidder is encouraged to visit and examine the Site of Works and its surroundings and obtain for itself, on its own risk and responsibility, all information that may be necessary for preparing the Bid and entering into a contract for construction of the Works. The costs of visiting the Site shall be at the Bidder’s own expense.

7.3 The Bidder and any of its personnel or agents will be granted permission by the Employer to enter upon its premises and lands for the purpose of such visit, but only upon the express condition that the Bidder, its personnel, and agents will release and indemnify the Employer and its personnel and agents from and against all liability in respect thereof, and will be responsible for death or personal injury, loss of or damage to property, and any

other loss, damage, costs, and expenses incurred as a result of the inspection.

7.4 The Bidder's designated representative is invited to attend a pre-Bid meeting, if **provided for in the BDS**. The purpose of the meeting will be to clarify issues and to answer questions on any matter that may be raised at that stage.

7.5 The Bidder is requested, as far as possible, to submit any questions in writing, to reach the Employer not later than one week before the meeting.

7.6 Minutes of the pre-Bid meeting, including the text of the questions raised, without identifying the source, and the responses given, together with any responses prepared after the meeting, will be transmitted promptly to all Bidders who have acquired the Bidding Document in accordance with Sub-Clause 6.3. Any modification to the Bidding Document that may become necessary as a result of the pre-Bid meeting shall be made by the Employer exclusively through the issue of an addendum pursuant to ITB Clause 8 and not through the minutes of the pre-Bid meeting.

7.7 Nonattendance at the pre-Bid meeting will not be a cause for disqualification of a Bidder.

**8. Amendment of Bidding Document**

8.1 At any time prior to the deadline for submission of Bids, the Employer may amend the Bidding Document by issuing addendum.

8.2 Any addendum issued shall be part of the Bidding Document and shall be communicated in writing to all who have obtained the Bidding Document from the Employer.

8.3 To give prospective Bidders reasonable time in which to take an addendum into account in preparing their Bids, the Employer may, at its discretion, extend the deadline for the submission of Bids, pursuant to ITB Sub-Clause 22.2

**C. Preparation of Bids**

**9. Cost of Bidding**

9.1 The Bidder shall bear all costs associated with the preparation and submission of its Bid, and the Employer shall in no case be responsible or liable for those costs, regardless of the conduct or outcome of the Bidding process.

**10. Language of Bid**

10.1 The Bid, as well as all correspondence and documents relating to the Bid exchanged by the Bidder and the Employer, shall be written in Chinese. Supporting documents and printed literature that are part of the Bid may be in another language provided they are



accompanied by an accurate translation of the relevant passages in Chinese, in which case, for purposes of interpretation of the Bid, such translation shall govern.

## **11. Documents Comprising the Bid**

11.1 The Bid shall comprise the following:

- (a) Letter of Bid;
- (b) completed Schedules, in accordance with ITB Clauses 12 and 14, or **as stipulated in the BDS**;
- (c) Bid Security, in accordance with ITB Clause 19;
- (d) alternative Bids, if permitted, in accordance with ITB Clause 13;
- (e) Documentary evidence in accordance with ITB Clause 4 and Clause 5 establishing the Bidder's eligibility to Bid;
- (f) written confirmation authorizing the signatory of the Bid to commit the Bidder, in accordance with ITB Sub-Clause 20.2;
- (g) documentary evidence in accordance with ITB Clause 17 establishing the Bidder's qualifications to perform the contract;
- (h) Technical Proposal in accordance with ITB Clause 16;
- (i) In the case of a Bid submitted by a joint venture (JV), the JV agreement, or letter of intent to enter into a JV including a draft agreement, indicating at least the parts of the Works to be executed by the respective partners and duly signed; and
- (j) Any other document **required in the BDS**.

## **12. Letter of Bid and Schedules**

12.1 The Letter of Bid and Schedules shall be prepared using the relevant forms in Section IV (Bidding Forms), if so provided. The forms shall be completed without any alterations to the text, and no substitutes shall be accepted. All blank spaces shall be filled in with the information requested.

## **13. Alternative Bids**

13.1 Unless otherwise **indicated in the BDS**, alternative Bids shall not be considered.

13.2 When alternative times for completion are explicitly invited, a statement to that effect will be **included in the BDS**, as will the method of evaluating different times for completion.

13.3 Pursuant to ITB Sub-Clause 13.1, and subject to ITB Sub-Clause 13.4 below, Bidders wishing to offer technical

alternatives to the requirements of the Bidding Document shall first price the Employer's design as described in the Bidding Document and shall further provide all information necessary for a complete evaluation of the alternative by the Employer, including drawings, design calculations, technical specifications, breakdown of prices, and proposed construction methodology and other relevant details. Only the technical alternatives, if any, of the lowest evaluated Bidder conforming to the basic technical requirements shall be considered by the Employer.

13.4 When specified in the BDS, Bidders are permitted to submit alternative technical solutions for specified parts of the Works. Such parts will be **identified in the BDS** and described in Section VI (Employer's Requirements). The method for their evaluation will be stipulated in Section III (Evaluation and Qualification Criteria).

#### **14. Bid Prices and Discounts**

14.1 The prices and discounts quoted by the Bidder in the Letter of Bid and in the Schedules shall conform to the requirements specified below.

14.2 The Bidder shall submit a Bid for the whole of the Works described in ITB Sub-Clause 1.1 by filling in prices for all items of the Works, as identified in Section IV (Bidding Forms). In case of admeasurement contracts, the Bidder shall fill in rates and prices for all items of the Works described in the Bill of Quantities. Items against which no rate or price is entered by the Bidder will not be paid for by the Employer when executed and shall be deemed covered by the rates for other items and prices in the Bill of Quantities.

14.3 The price to be quoted in the Letter of Bid shall be the total price of the Bid, excluding any discounts offered.

14.4 Unconditional discounts, if any, and the methodology for their application shall be quoted in the Letter of Bid, in accordance with ITB Sub-Clause 12.1.

14.5 If so indicated in ITB Sub-Clause 1.1, Bids are invited for individual contracts or for any combination of contracts (packages). Bidders wishing to offer any price reduction for the award of more than one Contract shall specify in their Bid the price reductions applicable to each package, or alternatively, to individual Contracts within the package. Price reductions or discounts shall be submitted in accordance with ITB Sub-Clause 14.4, provided the Bids for all contracts are submitted and opened at the same time.

- 14.6 Unless otherwise **provided in the BDS** and the Conditions of Contract, the prices quoted by the Bidder shall be fixed. If the prices quoted by the Bidder are subject to adjustment during the performance of the Contract in accordance with the provisions of the Conditions of Contract, the Bidder shall furnish the indices and weightings for the price adjustment formulae in the Schedule of Adjustment Data in Section IV (Bidding Forms) and the Employer may require the Bidder to justify its proposed indices and weightings.
- 14.7 All duties, taxes, and other levies payable by the Contractor under the Contract, or for any other cause, as of the date twenty-eight (28) days prior to the deadline for submission of Bids, shall be included in the rates and prices and the total Bid price submitted by the Bidder.
- 15. Currency of Bid** 15.1 Prices shall be quoted in Chinese Yuan.
- 16. Documents Comprising the Technical Proposal** 16.1 The Bidder shall furnish a Technical Proposal including a statement of work methods, equipment, personnel, time-bonded schedule and any other information as stipulated in Section IV (Bidding Forms), in sufficient detail to demonstrate the adequacy of the Bidders' proposal to meet the work requirements and the completion time.
- 17. Documents Establishing the Qualifications of the Bidder** 17.1 To establish its qualifications to perform the Contract in accordance with Section III (Evaluation and Qualification Criteria) the Bidder shall provide the information requested in the corresponding information sheets included in Section IV (Bidding Forms).
- 18. Period of Validity of Bids** 18.1 Bids shall remain valid for the period **specified in the BDS** after the Bid submission deadline date prescribed by the Employer. A Bid valid for a shorter period shall be rejected by the Employer as nonresponsive.

18.2 In exceptional circumstances, prior to the expiration of the Bid validity period, the Employer may request Bidders to extend the period of validity of their Bids. The request and the responses shall be made in writing. If a Bid Security is requested in accordance with ITB Clause 19, it shall also be extended for a corresponding period. A Bidder may refuse the request without forfeiting its Bid Security. A Bidder granting the request shall not be required or permitted to modify its Bid, except as provided in ITB Sub-Clause 18.3.

18.3 In the case of fixed price contracts, if the award is delayed by a period exceeding fifty-six (56) days beyond the expiry of the initial Bid validity, the Contract price shall be adjusted by a factor specified in the request for extension. Bid evaluation shall be based on the Bid Price without taking into consideration the above correction.

## 19. Bid Security

19.1 The Bidder shall furnish as part of its Bid, in original form of a Bid Security and the amount shall be **specified in the BDS** and denominated in Chinese Yuan.

19.2 The Bid security shall be, at the Bidder's option, in any of the following forms:

(a) an unconditional guarantee, issued by a reputable bank in China; or

(b) a cashier's or certified check.

In the case of a bank guarantee, the Bid security shall be submitted using the Bid Security Form included in Section IV (Bidding Forms). The Bid security shall be valid for twenty-eight days (28) beyond the original validity period of the Bid, or beyond any period of extension if requested under ITB Sub-Clause 18.2.

19.3 Any Bid not accompanied by an enforceable and substantially compliant Bid security shall be rejected by the Employer as non-responsive.

19.4 The Bid security of unsuccessful Bidders shall be returned as promptly as possible upon the successful Bidder's furnishing of the Performance Security pursuant to ITB Sub-Clause 39.

19.5 The Bid security of the successful Bidder shall be returned as promptly as possible once the successful Bidder has signed the Contract and furnished the required Performance Security.

19.6 The Bid security may be forfeited:

(a) if a Bidder withdraws its Bid during the period of Bid

validity specified by the Bidder on the Letter of Bid, except as provided in ITB Sub-Clause 18.2 or

(b) if the successful Bidder fails to:

(i) sign the Contract in accordance with ITB Clause 38; or

(ii) furnish a performance security in accordance with ITB Clause 39.

19.7 The Bid Security of a JV shall be in the name of the JV that submits the Bid. If the JV has not been legally constituted at the time of Bidding, the Bid Security shall be in the names of all future partners as named in the letter of intent mentioned in Item 7, of Bidder Information Form in Section IV, Bidding Forms.

## 20. Format and Signing of Bid

20.1 The Bidder shall prepare one original of the documents comprising the Bid as described in ITB Clause 11 and clearly mark it "ORIGINAL". Alternative Bids, if permitted in accordance with ITB Clause 13, shall be clearly marked "ALTERNATIVE". In addition, the Bidder shall submit copies of the Bid in the number **specified in the BDS**, and clearly mark each of them "COPY." In the event of any discrepancy between the original and the copies, the original shall prevail.

20.2 The original and all copies of the Bid shall be typed or written in indelible ink and shall be signed by a person duly authorized to sign on behalf of the Bidder. This authorization shall consist of a written confirmation as **specified in the BDS** and shall be attached to the Bid. The name and position held by each person signing the authorization must be typed or printed below the signature.

20.3 Any amendments such as interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the person signing the Bid.

## D. Submission and Opening of Bids

### 21. Submission, Sealing and Marking of Bids

21.1 Bidders may always submit their Bids by mail or by hand. When so **specified in the BDS**, Bidders shall have the option of submitting their Bids electronically. Procedures for submission, sealing and marking are as follows:

(a) Bidders submitting Bids by mail or by hand shall enclose the original and each copy of the Bid, including alternative Bids, if permitted in accordance with ITB Clause 13, in separate sealed envelopes, duly marking the envelopes as "ORIGINAL", "ALTERNATIVE" and

“COPY.” These envelopes containing the original and the copies shall then be enclosed in one single envelope. The rest of the procedure shall be in accordance with ITB Sub-Clauses 21.2 and 21.3.

- (b) Bidders submitting Bids electronically shall follow the electronic Bid submission procedures **specified in the BDS**.

21.2 The inner and outer envelopes shall:

- (a) bear the name and address of the Bidder;
- (b) be addressed to the Employer as provided in the BDS pursuant to ITB Sub-Clause 22.1;
- (c) bear the specific identification of this Bidding process indicated in accordance with ITB Sub-Clause 1.11 and any additional identification marks as **specified in the BDS**; and
- (d) bear a warning not to open before the time and date for Bid opening, in accordance with ITB Sub-Clause 25.1.

21.3 If all envelopes are not sealed and marked as required, the Employer will assume no responsibility for the misplacement or premature opening of the Bid.

**22. Deadline for Submission of Bids**

22.1 Bids shall be received by the Employer at the address and no later than the date and time **indicated in the BDS**.

22.2 The Employer may, at its discretion, extend the deadline for the submission of Bids by amending the Bidding Document in accordance with ITB Clause 8, in which case all rights and obligations of the Employer and Bidders previously subject to the deadline shall thereafter be subject to the deadline as extended.

**23. Late Bids**

23.1 The Employer shall not consider any Bid that arrives after the deadline for submission of Bids, in accordance with ITB Clause 22. Any Bid received by the Employer after the deadline for submission of Bids shall be declared late, rejected, and returned unopened to the Bidder.

**24. Withdrawal, Substitution, and Modification of Bids**

24.1 A Bidder may withdraw, substitute, or modify its Bid after it has been submitted by sending a written notice in accordance with ITB Clause 21, duly signed by an authorized representative, and shall include a copy of the authorization (the Power of Attorney) in accordance with ITB Sub-Clause 20.2, (except that no copies of the withdrawal notices are required). The corresponding substitution or modification of the Bid shall accompany the

respective written notice. All notices shall be:

(a) prepared and submitted in accordance with ITB Clause 20 and ITB Clause 21 , and in addition, the respective envelopes shall be clearly marked "WITHDRAWAL," "SUBSTITUTION," "MODIFICATION." and

(b) received by the Employer prior to the deadline prescribed for submission of Bids, in accordance with ITB Clause 22.

24.2 Bids requested to be withdrawn in accordance with ITB Sub-Clause 24.1 shall be returned unopened to the Bidders.

24.3 No Bid may be withdrawn, substituted, or modified 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 Letter of Bid or any extension thereof.

## **25. Bid Opening**

25.1 The Employer shall open the Bids in public at the address, date and time **specified in the BDS**. Any specific electronic Bid opening procedures required if electronic Bidding is permitted in accordance with ITB Sub-Clause 21.1, shall be as **specified in the BDS**.

25.2 First, envelopes marked "WITHDRAWAL" shall be opened and read out and the envelope with the corresponding Bid shall not be opened, but returned to the Bidder. If the withdrawal envelope does not contain a copy of the "Power of Attorney" confirming the signature as a person duly authorized to sign on behalf of the Bidder, the corresponding Bid will be opened. No Bid withdrawal shall be permitted unless the corresponding withdrawal notice contains a valid authorization to request the withdrawal and is read out at Bid opening. Next, envelopes marked "SUBSTITUTION" shall be opened, read out and recorded and exchanged with the corresponding Bid being substituted, and the substituted Bid shall not be opened, but returned to the Bidder. No Bid substitution shall be permitted unless the corresponding substitution notice contains a valid authorization to request the substitution and is read out and recorded at Bid opening. Envelopes marked "MODIFICATION" shall be opened, read out and recorded with the corresponding Bid. No Bid modification shall be permitted unless the corresponding modification notice contains a valid authorization to request the modification and is read out and recorded at Bid opening. Only envelopes that are opened, read out and recorded at Bid opening shall be considered further..

25.3 All other envelopes shall be opened one at a time, reading out: the name of the Bidder and whether there is a modification; the Bid Prices, including any discounts and alternative offers; the presence of a Bid Security, if required; and any other details as the Employer may consider appropriate. Only discounts and alternative offers read out and recorded at Bid opening shall be considered for evaluation. No Bid shall be rejected at Bid opening except for late Bids, in accordance with ITB Sub-Clause 23.1.

25.4 The Employer shall prepare a record of the Bid opening that shall include, as a minimum: the name of the Bidder and whether there is a withdrawal, substitution, or modification; the Bid Price, per lot if applicable, including any discounts, and alternative offers if they were permitted; and the presence or absence of a Bid Security, if one was required. The Bidders' representatives who are present shall be requested to sign the record. Omission of a Bidder's signature on the record shall not invalidate the contents and effect of the record. A copy of the record shall be distributed to all Bidders..

## **E. Evaluation and Comparison of Bids**

**26. Confidentiality** 26.1 Information relating to the examination, evaluation, comparison, and qualification of Bids and recommendation of contract award, shall not be disclosed to Bidders or any other persons not officially concerned with such process until information on Contract award has been announced.

26.2 Any effort by a Bidder to influence the Employer in the evaluation of the Bids or Contract award decisions may result in the rejection of its Bid.

26.3 Notwithstanding ITB Sub-Clause 26.2, from the time of Bid opening to the time of Contract award, if any Bidder wishes to contact the Employer on any matter related to the Bidding process, it should do so in writing.

**27. Clarification of Bids** 27.1 To assist in the examination, evaluation, and comparison of the Bids, and qualification of the Bidders, the Employer may, at its discretion, ask any Bidder for a clarification of its Bid. Any clarification submitted by a Bidder in respect to its Bid and that is not in response to a request by the Employer shall not be considered. The Employer's request for clarification and the response shall be in writing. No change in the prices or substance of the Bid shall be sought, offered, or permitted, except to confirm the correction of arithmetic errors discovered by the Employer in the evaluation of the Bids, in accordance with ITB



Clause 31.

27.2 If a Bidder does not provide clarifications of its Bid by the date and time set in the Employer's request for clarification, its Bid may be rejected.

**28. Deviations,  
Reservations,  
and Omissions**

28.1 During the evaluation of Bids, the following definitions apply:

(a) "Deviation" is a departure from the requirements specified in the Bidding Document;

(b) "Reservation" is the setting of limiting conditions or withholding from complete acceptance of the requirements specified in the Bidding Document; and

(c) "Omission" is the failure to submit part or all of the information or documentation required in the Bidding Document.

**29. Determination  
of  
Responsiveness**

29.1 The Employer's determination of a Bid's responsiveness is to be based on the contents of the Bid itself, as defined in ITB Clause 11.

29.2 A substantially responsive Bid is one that conforms to all terms, conditions, and specifications of the Bidding Document without material deviation, reservation, or omission. A material deviation, reservation, or omission is one that:

(a) affect in any substantial way the scope, quality, or performance of the Works specified in the Contract; or

(b) limit in any substantial way, inconsistent with the Bidding Document, the Employer's rights or the Bidder's obligations under the proposed Contract; or

(c) if rectified, would unfairly affect the competitive position of other Bidders presenting substantially responsive Bids.

29.3 The Employer shall examine the technical aspects of the Bid submitted in accordance with ITB Clause 16, Technical Proposal, in particular, to confirm that all requirements of Section VI (Employer's Requirements) have been met without any material deviation, reservation or omission.

29.4 If a Bid is not substantially responsive to the requirements of the Bidding Document, it shall be rejected by the Employer and may not subsequently be made responsive by correction of the material deviation, reservation, or omission.

- 30. Nonconformities, Errors, and Omissions**
- 30.1 Provided that a Bid is substantially responsive, the Employer may waive any non-conformities or omissions in the Bid that do not constitute a material deviation, reservation or omission.
- 30.2 Provided that a Bid is substantially responsive, the Employer may request that the Bidder submit the necessary information or documentation, within a reasonable period of time, to rectify nonmaterial nonconformities in the Bid related to documentation requirements. Requesting information or documentation on such nonconformities shall not be related to any aspect of the price of the Bid. Failure of the Bidder to comply with the request may result in the rejection of its Bid.
- 30.3 Provided that a Bid is substantially responsive, the Employer shall rectify quantifiable nonmaterial nonconformities or omissions related to the Bid Price. To this effect, the Bid Price may be adjusted, for comparison purposes only, to reflect the price of a missing or non-conforming item or component. The adjustment shall be made using the methods indicated in Section III (Evaluation and Qualification Criteria).
- 31. Correction of Arithmetical Errors**
- 31.1 Provided that the Bid is substantially responsive, the Employer shall correct arithmetical errors on the following basis:
- (a) only for admeasurement contracts, if there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected, unless in the opinion of the Employer there is an obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern and the unit price shall be corrected;
  - (b) if there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and
  - (c) if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (a) and (b) above.
- 31.2 If the Bidder that submitted the lowest evaluated Bid does not accept the correction of errors, its Bid shall be rejected.

## **32. Evaluation of Bids**

32.1 The Employer shall use the criteria and methodologies listed in this clause. No other evaluation criteria or methodologies shall be permitted.

32.2 To evaluate a Bid, the Employer shall consider the following:

(a) the Bid price, excluding Provisional Sums and the provision, if any, for contingencies in the Summary Bill of Quantities for admeasurement contracts or Activity Schedule for lump sum contracts, but including Daywork items, where priced competitively;

(b) price adjustment for correction of arithmetic errors in accordance with ITB Sub-Clause 31.1;

(c) price adjustment due to discounts offered in accordance with ITB Sub-Clause 14.4;

(d) adjustment for nonconformities in accordance with ITB Sub-Clause 30.3;

(e) application of all the evaluation factors indicated in Section III (Evaluation and Qualification Criteria);

32.3 The estimated effect of the price adjustment provisions of the Conditions of Contract, applied over the period of execution of the Contract, shall not be taken into account in Bid evaluation.

32.4 If this Bidding Document allows Bidders to quote separate prices for different contracts, and to award multiple contracts to a single Bidder, the methodology to determine the lowest evaluated price of the contract combinations, including any discounts offered in the Letter of Bid, is specified in Section III (Evaluation and Qualification Criteria).

32.5 If the Bid for an admeasurement contract, which result in the lowest Evaluated Bid Price, is seriously unbalanced, front loaded or substantially below updated estimates in the opinion of the Employer, the Employer may require the Bidder to produce detailed price analyses for any or all items of the Bill of Quantities, to demonstrate the internal consistency of those prices with the construction methods and schedule proposed. After evaluation of the price analyses, taking into consideration the schedule of estimated Contract payments, the Employer may require that the amount of the performance security be increased at the expense of the Bidder to a level sufficient to protect the Employer against financial loss in the event of default of the successful Bidder under the Contract.

- 33. Comparison of Bids** 33.1 The Employer shall compare all substantially responsive Bids in accordance with ITB Sub-Clause 32.2 to determine the lowest evaluated Bid.
- 34. Qualification of the Bidder** 34.1 The Employer shall determine to its satisfaction whether the Bidder that is selected as having submitted the lowest evaluated and substantially responsive Bid meets the qualifying criteria specified in Section III (Evaluation and Qualification Criteria).
- 34.2 The determination shall be based upon an examination of the documentary evidence of the Bidder's qualifications submitted by the Bidder, pursuant to ITB Sub-Clause 17.1.
- 34.3 An affirmative determination of qualification shall be a prerequisite for award of the Contract to the Bidder. A negative determination shall result in disqualification of the Bid, in which event the Employer shall proceed to the next lowest evaluated Bid to make a similar determination of that Bidder's qualifications to perform satisfactorily.
- 34.4 The capabilities of the manufacturers and subcontractors proposed in its Bid to be used by the lowest evaluated Bidder for identified major items of the Requirements will also be evaluated for acceptability in accordance with the criteria and methodologies defined in Section III, Evaluation and Qualification Criteria. Their participation should be confirmed with a letter of intent between the parties, as needed. Should a manufacturer or subcontractor be determined to be unacceptable, the Bid will not be rejected, but the Bidder will be required to substitute an acceptable manufacturer or subcontractor without any change to the Bid price.
- 35. Employer's Right to Accept Any Bid, and to Reject Any or All Bids** 35.1 The Employer reserves the right to accept or reject any Bid, and to annul the Bidding process and reject all Bids at any time prior to contract award, without thereby incurring any liability to Bidders.

## **F. Award of Contract**

- 36. Award Criteria** 36.1 Subject to ITB Sub-Clause 35.1, the Employer shall award the Contract to the Bidder whose offer has been determined to be the lowest evaluated Bid and is substantially responsive to the Bidding Document, provided further that the Bidder is determined to be qualified to perform the Contract satisfactorily.

**37. Notification of Award**

37.1 Prior to the expiration of the period of Bid validity, the Employer shall notify the successful Bidder, in writing, via the Letter of Acceptance included in the Contract Forms, that its Bid has been accepted. At the same time, the Employer shall also notify all other Bidders of the results of the Bidding.

37.2 The Employer shall publish in a newspaper of wide circulation or a freely accessible website the results identifying the Bid and lot numbers and the following information: (i) name of each Bidder who submitted a Bid, (ii) Bid prices as read out at Bid Opening, (iii) name and evaluated prices of each Bid that was evaluated, (iv) name of Bidders whose Bids were rejected and the reasons for their rejection, and (v) name of the winning Bidder, and the Price it offered, as well as the duration and summary of the scope of the contract awarded.

37.3 Until a formal contract is prepared and executed, the notification of award shall constitute a binding Contract.

37.4 The Employer shall promptly respond in writing to any unsuccessful Bidder who, after notification of award in accordance with ITB Sub-Clause 37.1, requests in writing the grounds on which its Bid was not selected.

**38. Signing of Contract**

38.1 Promptly upon notification, the Employer shall send the successful Bidder the Contract Agreement.

38.2 Upon the notification of award, within fourteen (14) days, the Employer will either:

a) send the successful Bidder the Contract signed by the Employer, which will incorporate all agreements between the Employer and the successful Bidder. In such a case, within fourteen (14) days upon the receipt of said Contract, the successful Bidder shall sign the Contract and deliver the same to the Employer; or

b) invite the successful Bidder to finalize and sign the Contract at the location stated in that invitation.

**39. Performance Security**

39.1 Within twenty-eight (28) days of the receipt of notification of award from the Employer, the successful Bidder shall furnish the performance security in accordance with the conditions of contract, subject to ITB Sub-Clause 32.5, using for that purpose the Performance Security Form included in Section VIII (Contract Forms), or another form acceptable to the Employer.

39.2 Failure of the successful Bidder to submit the above-mentioned Performance Security or to sign the Contract Agreement shall constitute sufficient grounds for the

annulment of the award and forfeiture of the Bid security. In that event the Employer may award the Contract to the next lowest evaluated Bidder whose offer is substantially responsive and is determined by the Employer to be qualified to perform the Contract satisfactorily.

#### **40. Adjudicator**

40.1 The Employer proposes the person **named in the BDS** to be appointed as Adjudicator under the Contract, at the hourly fee **specified in the BDS**, plus reimbursable expenses. If the Bidder disagrees with this proposal, the Bidder should so state in his Bid. If, in the Letter of Acceptance, the Employer does not agree on the appointment of the Adjudicator, the Employer will request the Appointing Authority designated in the Particular Conditions of Contract (PCC) pursuant to Sub-Clause 24.1 of the General Conditions of Contract (GCC), to appoint the Adjudicator.

#### **41. Complaints**

41.1 Any questions or complaints regarding the Bidding process or contract award should be sent in writing to the Employer at the address in the BDS under ITB Sub-Clause 1.1. Bidders are free to send copies of their communications on issues and questions to the institution named in the BDS. When the Employer does not respond promptly, or the communication is a complaint against the Employer, Bidders can also write to such institution directly.

## Section II - Bid Data Sheet (BDS)

The following Bid Data Sheet (BDS) shall improve, supplement or modify the Instructions to Bidders (ITB). Whenever there is a conflict, the provisions herein shall prevail over those in the ITB.

<b>ITB clause No.</b>	<b>A. Introduction</b>										
<b>ITB 1.1</b>	<p><b>The Employer: Shengzhou Water Group Co., Ltd.</b></p> <p><b>The address and contact information of the Employer:</b>            Address: 74 Yashi Road, Shengzhou City, Zhejiang Province            Attention: Mr. QIU            Tel: 0575-83290180</p>										
<b>ITB 1.1</b>	<p><b>The name of the Bidding process is:</b> New Development Bank Funded Zhejiang Green Urban Infrastructure Development Project—Shengzhou City Urban and Rural Water Supply and Drainage Integration Project (Phase II)(Loan No.:19CN01)</p> <p><b>Contract name, Bid No. and description:</b> Changle Water Treatment Plant Construction Works</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;"><b>Contract No.</b></td> <td style="text-align: center;">SZ-CW-1</td> </tr> <tr> <td><b>Bid No.</b></td> <td style="text-align: center;">0733-19092122</td> </tr> <tr> <td><b>Source of fund</b></td> <td style="text-align: center;">New Development Bank</td> </tr> <tr> <td><b>Description of Major Works</b></td> <td> <p>The Works is to build a water treatment plant on the mountain land on the southwest Nanshan Lake Resort Hotel. The total construction area is 16250 m<sup>2</sup> and the planned water supply scale is 30,000 ton/day. The water treatment plant adopts coagulation, precipitation, filtration and disinfection technology processes. The main construction components include newly-built structures (buildings), auxiliary facilities, civil Works for auxiliary roads, water pipes constructions and installation Works for related equipment etc. For details, please see the bill of quantities and construction drawings.</p> </td> </tr> <tr> <td><b>Construction Period (Month)</b></td> <td style="text-align: center;">18</td> </tr> </table>	<b>Contract No.</b>	SZ-CW-1	<b>Bid No.</b>	0733-19092122	<b>Source of fund</b>	New Development Bank	<b>Description of Major Works</b>	<p>The Works is to build a water treatment plant on the mountain land on the southwest Nanshan Lake Resort Hotel. The total construction area is 16250 m<sup>2</sup> and the planned water supply scale is 30,000 ton/day. The water treatment plant adopts coagulation, precipitation, filtration and disinfection technology processes. The main construction components include newly-built structures (buildings), auxiliary facilities, civil Works for auxiliary roads, water pipes constructions and installation Works for related equipment etc. For details, please see the bill of quantities and construction drawings.</p>	<b>Construction Period (Month)</b>	18
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<b>Construction Period (Month)</b>	18										

<p><b>ITB 2.1</b></p>	<p><b>Source of funds:</b> New Development Bank and Employer’s self-raised funds.</p> <p>Borrower is: Shengzhou Municipal Government</p> <p><b>The name of the Project:</b> New Development Bank Funded Zhejiang Green Urban Infrastructure Development Project——Shengzhou City Urban and Rural Water Supply and Drainage Integration Project (Phase II)</p>
<p><b>ITB 2.2</b></p>	<p>Payments will be made in accordance with the terms and conditions of the financing agreement between the Borrower and the Bank (hereinafter called the Loan Agreement), and will be subject in all respects to the terms and conditions of that Loan Agreement. No party other than the Borrower shall derive any rights from the Loan Agreement or have any claim to the funds.</p>
<p><b>ITB 3.1</b></p>	<p>(1) In pursuance of China anticorruption policy , , for the purposes of defining restrictive practices, the terms set forth below as follows:</p> <ul style="list-style-type: none"> <li>(i)“corrupt practice” means the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;</li> <li>(ii)“fraudulent practice” means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;</li> <li>(iii) “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;</li> <li>(iv) “coercive practice” means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;</li> <li>(v) abuse” means theft, waste, or improper use of assets related to this project, either committed intentionally or through reckless disregard</li> <li>(vi) “conflict of interest” means any situation in which a party has interests that could improperly influence that party’s performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations;</li> <li>(vii) “obstructive practice” means (a) deliberately destroying, falsifying, altering, or concealing of evidence material to an investigation, or deliberately making false statements to investigators, with the intent to impede an investigation; (b)</li> </ul>



	threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to or from pursuing the investigation; or (c) deliberate acts intended to impede the exercise of contractual rights of audit or inspection or access to information
<b>ITB 3.3</b>	Bidders shall be aware of the provisions in Sub-Clause 23.2 and Sub-Clause 58.2 (h) of Section VII, General Conditions of Contract.
<b>ITB 4.1</b>	A Bidder may be a private entity, or state-owned entity - subject to ITB Sub-Clause 4.5. Bidder in the form of Joint Venture (JV) is not acceptable to participate in Bidding for this project.
<b>ITB 4.2</b>	Bidders shall have the nationality as specified in Section V. A Bidder shall be deemed to have the nationality of a country if the Bidder is a citizen or is constituted, or incorporated, and operates in conformity with the provisions of the laws of that country. This criterion shall also apply to the determination of the nationality of proposed subcontractors or suppliers for any part of the Contract including related services.
<b>ITB 4.4</b>	At the time of proposal submission and before contract award: <ul style="list-style-type: none"> <li>①the Bidder shall not be listed in <a href="http://www.creditchina.gov.cn">www.creditchina.gov.cn</a> as “Discredit Entity Subject to Enforcement for Default” and shall not be listed in “National Enterprise Credit Information Publicity System” as “Discredit Enterprises with Serious Law Violation Practice”;</li> <li>②the Bidder shall not be declared as ineligible by New Development Bank membership country;</li> <li>③the Bidder shall not be declared as ineligible by New Development Bank.</li> </ul>
<b>ITB 4.8</b>	4.8 Firms shall be excluded if by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, China prohibits any import of goods or contracting of Works or services from that country or any payments to persons or entities in that country.
	<b>B. Bidding Documents</b>
<b>ITB 7.1</b>	For request for clarification of or complaint about the Bidding document purposes only, the Employer’s address is: The Employer: Shengzhou Water Group Co., Ltd.

	<p>Address: 74 Yashi Road, Shengzhou City, Zhejiang Province          Zip Code: 3124000          Attention: Mr. QIU          Tel: 0575-83290180          Fax: 0575-83292154          E-mail: ndbzjszpmo@sina.com</p> <p>The Tendering Agent: CITIC International Tendering Co., Ltd.          Address: 4/F, No.17th Unit, Su Yuan, Beijing Friendship Hotel,          No.1, South Zhongguancun Street, Haidian District, Beijing.          Zip Code: 100873          Attention: Ms. ZHANG Yue &amp; Ms. LI Yitang          Tel: 010-68732196          Fax: 010-68940233          E-mail: zhangy@Biddingcitic.com, liyt@Biddingcitic.com</p> <p>Requests for clarification shall be received by the Tendering agent no later than <u>16</u> days before the deadline.</p>
<b>ITB 7.4</b>	A Pre-Bid meeting shall not take place.
	<b>C. Preparation of Bids</b>
<b>ITB 11.1 (b)</b>	The following schedules shall be submitted with the Bid: Price Schedules, including Priced Bill of Quantities and Priced Single Project Schedules for the admeasurement contract.
<b>ITB 11.1 (i)</b>	Not applicable.
<b>ITB 11.1 (j)</b>	<p>The Bidder shall submit with its Bid the following additional documents:</p> <p>The Bidder shall provide valid documentary evidences to demonstrate its contract experience, i.e. copies of documents like contract, acceptance/completion report (certificate) etc. which could indicate the completed Works. The Bidder shall also provide the related Employers' contact person information including name, valid phone number and detailed address.</p>
<b>ITB 13.1</b>	Alternative Bids <b>shall not be</b> permitted.
<b>ITB 13.2</b>	Alternative times for completion <b>shall not be</b> permitted.

<b>ITB 13.4</b>	Alternative technical solutions <b>shall not be</b> permitted
<b>ITB 14.6</b>	The contract for this project is fixed unit price contract. However, the contract price is allowed to be adjusted during the performance of the contract due to market price fluctuation. Please see SCC 45.1 for details.
<b>Add</b> <b>ITB 14.8</b>	The ceiling Bid price of this project is: 48,900,000 CNY The Bid prices by Bidders shall not exceed the above ceiling price, otherwise, the Bids will be rejected.
<b>ITB 18.1</b>	The Bid validity period shall be <b>120 days</b> .
<b>ITB 19.1</b>	<p><b>Amount of Bid Security:</b> CNY 800,000 (in words: Eight Hundred Thousand Chinese Yuan)</p> <p><b>Form of Bid Security:</b> telegraphic transfer or bank guarantee</p> <p><b>Validity of Bid Security:</b> The Bid security shall be valid for twenty-eight days (28) beyond the original validity period of the Bid.</p> <p><u>In case of telegraphic transfer:</u> The Bid security shall be received by 4:00 p.m., December 11, 2019 (Beijing Time). The time for Bid security transfer is subject to the time of bank's receipt. The Bid shall be rejected as nonresponsive if the bank does not receive the Bid security in time out of the Bidder's own fault;</p> <p>The copy of remittance or transfer document shall be sealed and submitted together with the Bid (both in the original and copies). The Bid security shall be transferred via the Bidder's basic account to any one of the following accounts, indicating the project name and the permit of opening account shall be furnished in the Bid as well:</p> <p>Account name: Shengzhou Public Resources Trading Centre Bank: Shaoxing Bank Co., Ltd. Shengzhou Branch Account No.: 0934001115527200020</p> <p><u>In case of bank guarantee:</u> it shall be in the format provided in Form of Bid Security (Bank Guarantee), Section IV of the Bidding Document. The original bank guarantee shall be sealed in a separate envelop and submitted together with the Bid. The copy of the bank guarantee shall be furnished in the copies of Bid as well. The bank guarantee shall be issued by a commercial bank at sub-branch or above level in China.</p>
<b>ITB 19.7</b>	Not applicable.

<p><b>ITB 20.1</b></p>	<p>In addition to <b><u>ONE original</u></b> of the Bid, <b><u>FIVE copies</u></b> of Bid shall be furnished.</p> <p>In addition, the USB flash disk of electronic Bid Documents, including both editable electronic copy (which shall include the priced bill of quantities in the form of MS Excel) and the scanned copy of Bid in the form of PDF shall be submitted. Bidder’s full name and contract No. should be marked on the outside of the USB flash disk.</p> <p>The Bid shall be bound in adhesive and glue.</p> <p>The USB flash disk shall be enclosed and sealed in an envelope with the original Bid.</p>
<p><b>ITB 20.2</b></p>	<p>The written confirmation of authorization to sign on behalf of the Bidder shall consist of:</p> <p>Original Letter of Authorization/Power of Attorney, which shall be notarized by a Notary Office;</p> <p>The above document should indicate the (i) validity period of the authorization and (ii) contain the signature(s) of the Authorized Person and the Authorizing Person(s).</p>
<p><b>D. Submission and Opening of Bids</b></p>	
<p><b>ITB 21.1</b></p>	<p>Bidders <b>shall not</b> have the option of submitting their Bids electronically.</p>
<p><b>ITB 21.1 (b)</b></p>	<p>If Bidders shall have the option of submitting their Bids electronically, the electronic Bidding submission procedures shall be: <b>Not Applicable</b></p>
<p><b>ITB 21.1 (c)</b></p>	<p>The inner and outer envelopes shall bear the following additional identification marks:</p> <p>Name of the Project: New Development Bank Funded Zhejiang Green Urban Infrastructure Development Project—Shengzhou City Urban and Rural Water Supply and Drainage Integration Project (Phase II) Changle Water Treatment Plant Construction Works</p> <p>Bid No.: 0733-19092122</p> <p>The words “DO NOT OPEN BEFORE 10: 00 a.m. and (Beijing Time), XX XX, 2019.” shall be written.</p> <p>Note: The Bidder shall ensure the consistency of the marking on the outer packing of the Bid with the contents of the Bid inside.</p>
<p><b>ITB 22.1</b></p>	<p>For <b><u>Bid submission purposes</u></b> only, the address is:</p>

	<p><b>Bid Opening Hall, Shaogxing Public Resources Trading Centre Shengzhou Sub-centre (Shengzhou Public Resources Trading Centre)</b></p> <p>3/F North Tower, International Convention Centre, 699 South Guanhe Road, Shengzhou City</p> <p><b>The deadline for Bid submission is:</b></p> <p>Date: December 13, 2019.</p> <p>Time: 09:30 a.m.(Beijing Time)</p>
<p><b>ITB 25.1</b></p>	<p>The Bid opening shall take place at:</p> <p><b>Bid Opening Hall, Shaogxing Public Resources Trading Centre Shengzhou Sub-centre (Shengzhou Public Resources Trading Centre)</b></p> <p>3/F North Tower, International Convention Centre, 699 South Guanhe Road, Shengzhou City</p> <p><b>The deadline for Bid submission is:</b></p> <p>Date: December 13, 2019.</p> <p>Time: 09:30 a.m.(Beijing Time)</p> <hr/> <p>If electronic Bid submission is permitted in accordance with ITB Sub-Clause 21.1, the specific Bid opening procedures shall be: <b>Not Applicable</b></p>
	<p align="center"><b>E. Evaluation and Comparison of Bids</b></p>
<p><b>ITB 32.5</b></p>	<p>If the Bid price of the lowest evaluated Bidder is lower than 15% of the reference price defined below, the Employer may request the Bidder to increase the performance security as follows:</p> <ul style="list-style-type: none"> <li>• Performance security of 20% will apply in case the arithmetically corrected price of the lowest evaluated Bidder is in the range lower than -15% up to -25% of the “reference price”;</li> <li>• Performance security of 30% will apply in case the arithmetically corrected price of the lowest evaluated Bidder is lower than -25% of the “reference price”.</li> </ul> <p>The “reference price” shall be the average value of the arithmetically corrected, substantially responsive Bid prices, together with the Employer’s estimated cost of this project (treated as one of Bids). If the average value of the arithmetically corrected, substantially responsive all Bid prices are lower than 15% to the Employer’s estimated cost, the Employer’s estimated cost will not be counted as a Bid price into the reference price. If the Bidder is required to increase its performance security, in case of refusal, the Bidder’s Bid will be rejected, but its Bid</p>

	security shall not be forfeited.
<b>Add</b> <b>ITB 33.2</b>	<p><b>Abnormally Low Bids</b></p> <p>(1) An Abnormally Low Bid is one where the Bid price, in combination with other constituent elements of the Bid, appears unreasonably low to the extent that the Bid price raises material concerns as to the capability of the Bidder to perform the Contract for the offered Bid price.</p> <p>(2) In the event of identification of a potentially Abnormally Low Bid in accordance with the methodology in section III “Evaluation and Qualification Criteria”, the Employer shall seek written clarifications from the Bidder, including detailed price analyses of its Bid price in relation to the subject matter of the contract, scope, proposed methodology, schedule, allocation of risks and responsibilities and any other requirements of the Bidding document.</p> <p>(3) After evaluation of the price analyses, in the event that the Employer determines that the Bidder has failed to demonstrate its capability to perform the Contract for the offered Bid Price, the Employer shall reject the Bid.</p> <p>(4) In the event that after evaluation of the price analyses the Employer determines that the Bidder is able to perform the contract, the Employer at its discretion might require that the amount of the Performance Security be increased at the expense of the Bidder to a level not exceeding the 30% of the contract price.</p>
	<b>F. Award of Contract</b>
<b>ITB 40.1</b>	<p>The Adjudicators proposed by the Employer is: Ms. DING Xiaollan. The hourly fee for this proposed Adjudicator is 200 CNY.</p> <p>The biographical data of the proposed Adjudicator is as follows:  Lawyer DING Xiaolan:  Date of Birth: May 11, 1972  Gender: Female  Education: Bachelor of Philosophy and Sociology  Political Party: China Democratic League  1996.7.1 – Ms. DING worked in Zhejiang Taipingyang Law Firm (now known as Zhejiang Dafeng Law Firm);  1997.10 – Ms. DING passed national lawyer’s qualification test</p>

	and started working as professional lawyer; Present – Ms. DING is the Deputy President of Zhejiang Qilancheng Law Firm.
<b>ITB 42.1</b>	Complaints should be addressed to: Project Manager of NDB: Ms. ZHUANG Lusha Email: lusha.zhuang@ndb.int

## Section III - Evaluation and Qualification Criteria

This section contains all the criteria that the Employer shall use to evaluate Bids and qualify Bidders if the Bidding was not preceded by a prequalification exercise and post qualification is applied. In accordance with ITB Clause 32 and ITB Clause 34, no other methods, criteria and factors shall be used. The Bidder shall provide all the information requested in the forms included in Section IV (Bidding Forms).

### 1. Evaluation

In addition to the criteria listed in ITB Sub-Clause 32.2 (a) – (e) the following criteria shall apply:

#### 1.1 Adequacy of Technical Proposal

Evaluation of the Bidder's Technical Proposal will include an assessment of the Bidder's technical capacity to mobilize key equipment and personnel for the contract consistent with its proposal regarding work methods, scheduling, and material sourcing in sufficient detail and fully in accordance with the requirements stipulated in Section VI (Employer's Requirements).

- A. To assess if the construction proposal proposed by the Bidder is reasonable, feasible and if the assigned personnel and equipment and materials are reasonable, if the proposal to the key Works of the project is well-designed and if the plan is well-organized and feasible, if there's any measures or forecasts to be taken to deal with the bad geological conditions (if applicable).
- B. To assess if the planned schedule is reasonable to meet the Employer's requirement and if the proposed personnel and equipment and materials are reasonable to meet the said requirement, if the construction period guarantee measures are detailed and well-prepared, which requires the Bidder to provide the guarantee measures in terms of personnel, equipment and materials allocation.
- C. To assess if the Bidder's plans and measures on environmental, well-behaved and safe construction are designed reasonably to comply with related compulsory requirements as stipulated in Chinese related laws and regulations and in Section VI (Employer's Requirements).

**Non-compliance with equipment and personnel requirements described in Section 6 (Employer's Requirements) shall not normally be a ground for Bid rejection and such non-compliance will be subject to clarification during Bid evaluation and rectification prior to contract award.**

#### 1.2 Multiple Contracts

Pursuant to Sub-Clause 32.4 of the Instructions to Bidders, If the Bidder participates in Bidding in multiple contracts for New Development Bank Funded Zhejiang Green Urban Infrastructure Development Project—Shengzhou City Urban and Rural Water Supply and Drainage Integration



Project (Phase II) simultaneously and a Bidder submits several successful (lowest evaluated substantially responsive) Bids, the evaluation will include an assessment of the Bidder's capacity to meet the combined requirements regarding:

- (1) Financial Situation: Bidder's financial situation should satisfy the accumulated value for combining all the financial situation requirements of contracts related;
- (2) Experience: In the last FIVE (5) years, Bidder's participation as contractor, or subcontractor, in the contracts related should satisfy the combined accumulative requirements for all the contracts related in terms of contract number, value and feature.
- (3) Equipment: The equipment to be allocated should satisfy the accumulated value for combining all the equipment requirements of contracts related;
- (4) Personnel: The personnel to be fielded should satisfy the accumulated value for combining all the personnel requirements of contracts related; the same personnel in teams for different contracts is not accepted.

### **1.3 Completion Time**

An alternative Completion Time is not permitted.

### **1.4 Technical Alternatives**

Technical alternatives are not permitted.

### **1.5 Quantifiable Nonmaterial Nonconformities or Omissions**

Pursuant to ITB30.3, the cost of quantifiable nonmaterial nonconformities or omissions shall be evaluated. The average price of the item quoted by all other substantially responsive Bidders will be added to the Bid price and the equivalent total cost of the Bid so determined will be used for price comparison.

### **1.6 Abnormally Low Bid**

There are two approaches to identifying a potential abnormally low bid depending on the number of bids / proposals received.

**Absolute approach** (where fewer than five substantially responsive bids have been received): A bid with bid price which falls below 20% of the average of the bid prices of all substantially responsive bids may be determined as abnormally low bid.

Example:

Four responsive bids received as follows:

Bid 1: CNY92 million

Bid 2: CNY82 million

Bid 3: CNY101 million

Bid 4: CNY53 million

Average:  $(92+82+101+53)/4=\text{CNY}82$  million

80% of the average:  $82 \times 80\% = \text{CNY}65.6$  million

Bid 4 is lower than CNY65.6 million, this bid may be determined as abnormally low bid.

**Relative approach** (where at least five substantially responsive bids have been received): A bid which falls more than one standard deviation below the average of all the substantially responsive bids received may be determined as an abnormally low bid.

Five responsive bids received as follows:

Bid 1: CNY92 million

Bid 2: CNY82 million

Bid 3: CNY101 million

Bid 4: CNY53 million

Bid 5: CNY72 million

Average:  $(92+82+101+53+72)/5=\text{CNY}80$  million

Standard deviation:

$$\sqrt{[(92 - 80)^2 + (82 - 80)^2 + (101 - 80)^2 + (53 - 80)^2 + (72 - 80)^2]/5}$$

=CNY17 million

One standard deviation below the average:  $80-17=\text{CNY}63$  million

Bid 4 is lower than CNY63 million, this bid may be determined as abnormally low bid.

## 2. Qualification

Factor	2.1 Eligibility					
Sub-Factor	Requirement	Criteria				Documentation Required
		Bidder			Single Entity	
		Joint Venture (Not applicable)				
			All partners combined	Each partner	At least one partner	
2.1.1 Nationality	Nationality in accordance with ITB Sub-Clause 4.2.	Must meet requirement	N / A	N / A	N / A	Form ELI –2.1 with attachments
2.1.2 Conflict of Interest	No conflicts of interests as described in ITB Sub-Clause 4.3.	Must meet requirement	N / A	N / A	N / A	Letter of Bid
2.1.3 Eligibility by “Discredit Entity Subject to Enforcement for Default” and “Discredit Enterprises with Serious Law Violation Practice”/ New Development Bank membership country/ New Development Bank	Not having been declared ineligible in accordance with ITB Sub-Clause 4.4.	Must meet requirement	N / A	N / A	N / A	Letter of Bid
2.1.4 Government Owned Entity	Compliance with conditions of ITB Sub-Clause 4.5	Must meet requirement	N / A	N / A	N / A	Form ELI –2.1 with attachments

Factor	2.1 Eligibility					
Sub-Factor	Criteria					Documentation Required
	Requirement	Bidder				
		Single Entity	Joint Venture (Not applicable)			
All partners combined			Each partner	At least one partner		
2.1.5 Eligibility based on a United Nations resolution or Chinese Law	Not having been excluded as a result of the Chinese laws or official regulations, or by an act of compliance with UN Security Council resolution, in accordance with ITB 4.8	Must meet requirement	N / A	N / A	N / A	Letter of Bid

Factor	2.2 Historical Contract Non-Performance					
Sub-Factor	Criteria					Documentation Required
	Requirement	Bidder				
		Single Entity	Joint Venture (Not applicable)			
			All partners combined	Each partner	At least one partner	
2.2.1 History of non-performing contracts	Non-performance of a contract did not occur within the last FIVE [5] years prior to the deadline for Bid submission, based on all information on fully settled disputes or litigation. A fully settled dispute or litigation is one that has been resolved in accordance with the Dispute Resolution Mechanism under the respective contract, and where all appeal instances available to the Bidder have been exhausted.	Must meet requirement	N / A	N / A	N / A	Form –CON-2.2.1
2.2.2 Pending Litigation	All pending litigation shall in total not represent more than 50% of the Bidder's net worth and shall be treated as resolved against the Bidder.	Must meet requirement	N / A	N / A	N / A	Form CON – 2.2.2

Factor	2.3 Financial Situation					
Sub-Factor	Criteria					Documentation Required
	Requirement	Bidder				
		Single Entity	Joint Venture (Not applicable)			
All partners combined			Each partner	At least one partner		
2.3.1 Historical Financial Performance	Submission of audited financial statements or if not required by the law of the Bidder's country, other financial statements acceptable to the Employer, for the last Three [3] years (2016-2018) to demonstrate the current soundness of the Bidders financial position and its prospective long term profitability. As a minimum, a Bidder's net worth for the last three [3] years (2016-2018) calculated as the difference between total assets and total liabilities for each of the three years should be positive.	Must meet requirement	N / A	N / A	N / A	Form FIN – 2.3.1 with attachments
2.3.2. Average Annual Construction Turnover	Minimum average annual turnover of CNY 82,000,000, calculated as total certified	Must meet requirement	N / A	N / A	N / A	Form FIN –2.3.2

Factor	2.3 Financial Situation					
Sub-Factor	Criteria					Documentation Required
	Requirement	Bidder				
		Single Entity	Joint Venture (Not applicable)			
All partners combined			Each partner	At least one partner		
	payments received for contracts in progress or completed, within the last THREE [3] years (2016-2018).					
2.3.3. Financial Resources	The Bidder shall demonstrate access to, or availability of, financial resources such as liquid assets, lines of credit, and other financial means, other than any contractual advance payments to meet: (i) the following cash-flow requirement of CNY10,000,000 and (ii) the overall cash flow requirements for this contract and its concurrent commitments.	Must meet requirement	N / A	N / A	N / A	Form FIN –2.3.3.1 Form FIN-2.3.3.2

Factor	2.4 Experience					
Sub-Factor	Criteria					Documentation Required
	Requirement	Bidder				
		Single Entity	Joint Venture (Not applicable)			
All partners combined			Each partner	At least one partner		
2.4.1 General Experience	Experience under contracts in the role of contractor, subcontractor, or management contractor for at least the last five [5] years (2014.11-2019.11) prior to the applications submission deadline.	Must meet requirement	N / A	N / A	N / A	Form EXP-2.4.1
2.4.2 Specific Experience	(a) Participation as contractor, management contractor, or subcontractor, in at least TWO [2] municipal construction contracts on water treatment plant or waste water treatment plant within the last FIVE (5) years (2014.11-2019.11) (the completion date shall prevail), each with a value of at least CNY 40 million, that have been successfully and substantially completed and that are similar to the proposed Works. The similarity shall be based on the	Must meet requirement	N / A	N / A	N / A	Form EXP 2.4.2(a)  The Bidder shall provide valid documentary evidences to demonstrate its contract experience, i.e. copies of documents like contract, acceptance/completion report (certificate) etc. which could indicate the completed Works.



Factor	2.4 Experience					
Sub-Factor	Criteria					Documentation Required
	Requirement	Bidder				
		Single Entity	Joint Venture (Not applicable)			
			All partners combined	Each partner	At least one partner	
	<p>physical size, complexity, methods/technology or other characteristics as described in Section V, Employer's Requirements.</p> <p>(2) The above contracts should be successfully accomplished or substantially accomplished and similar to this contract in content. The similarity of the contract shall be based on the physical size, complexity, methods/technology and other characteristics as described in Section VI - Employer's Requirements.</p>					<p>The Bidder shall also provide the related Employers' contact person information including name, valid phone number and detailed address.</p>
2.4.2 Specific Experience	<p>(b) For the above or other contracts executed during the period stipulated in 2.4.2(a) above, a minimum experience in the following key activities:</p> <p>① The bidder shall have</p>	Must meet requirement	N / A	N / A	N / A	<p>Form EXP-2.4.2(b)</p> <p>The Bidder shall provide valid documentary evidences to demonstrate its</p>

Factor	2.4 Experience					
Sub-Factor	Criteria					Documentation Required
	Requirement	Bidder				
		Single Entity	Joint Venture (Not applicable)			
All partners combined			Each partner	At least one partner		
	<p>completed at least one contract on Civil Works for water or wastewater treatment plant with scale of no less than 30,000 ton/day (including 30,000 ton/day);</p> <p>② The bidder shall have completed at least one contract on installation works for equipment like mechanical and electrical equipment etc. for water or wastewater treatment plant (there is no requirement on contract value).</p>					<p>contract experience, i.e. copies of documents like contract, acceptance/completion report (certificate) etc. which could indicate the completed Works. The Bidder shall also provide the related Employers' contact person information including name, valid phone number and detailed address.</p>
2.4.3 Qualification Requirements	<p>The bidder shall possess valid</p> <p>①the Grade I or above level of Qualification Certificate for General Contracting of Municipal Public Construction; and</p> <p>②the Grade II or above level of</p>	Must meet requirements	Must meet requirements	N / A	Must meet requirements	The Bidder must furnish the copies of its qualification certificates in Bid.

Factor	2.4 Experience					
Sub-Factor	Criteria					Documentation Required
	Requirement	Bidder				
		Single Entity	Joint Venture (Not applicable)			
All partners combined			Each partner	At least one partner		
	<p>Qualification Certificate for General Contracting of Mechanical and Electrical Installation Engineering or Grade II or above level of Qualification Certificate for Professional Contracting of Construction Mechanical and Electrical Installation Engineering; and</p> <p>③the Work Safety Certificate.</p> <p>Bidders registered in other member countries (except China) has to provide relevant equivalent certificates from equivalent authority. Along with documentary evidence of registration, bidders need to provide an undertaking that the certificate holds in their country are of equal importance as Chinese authorities and at any time while authenticating the</p>					

Factor	2.4 Experience					
Sub-Factor	Criteria					Documentation Required
	Requirement	Bidder				
		Single Entity	Joint Venture (Not applicable)			
	submit certificate (by prospective bidders), if some misrepresentation or false declaration is found, The Employer is free to take any punitive action not limited to just cancellation of award, forfeiture of bid security, debarment from future participation or as deemed fit by the Employer.			All partners combined		Each partner
	submit certificate (by prospective bidders), if some misrepresentation or false declaration is found, The Employer is free to take any punitive action not limited to just cancellation of award, forfeiture of bid security, debarment from future participation or as deemed fit by the Employer.					

## 2.5 Personnel

The Bidder shall demonstrate that it will have the personnel for the key positions that meet the following requirements:

No.	The number of personnel required	Position	Total Similar Working Experience (years)
1	1	<b>*Project Manager (Project Leader)</b> The PM shall have a Level I Registered Constructor Qualification Certificate in Municipal Public Engineering, and with the Safety Test Qualification Certificate (B).	10
2	1	<b>Engineer in Water Supply and Drainage</b> The Engineer shall have an intermediate engineer or above level title in water supply and drainage Works.	5
3	1	<b>Engineer in Mechanical and Electrical Installation</b> The Engineer shall have an intermediate engineer or above level title in Mechanical and Electrical Installation Works.	5
4	1	Quality Engineer (officer)	3
5	1	Safety Engineer (officer)	3
6	1	Cost Engineer (officer)	3

The Bidder shall provide details of the proposed personnel and their experience records in the relevant Forms included in Section IV, Bidding Forms. Among which:

1. The Bidder shall provide payment records of social security funds for the proposed personnel in six (6) consecutive months before the date of Bid submission (stamped with Bidder's official seal);
2. The Bidder shall provide the copies of main pages on labor contracts for the proposed personnel (stamped with Bidder's official seal);
3. \*Other requirements on Project Manager:
  - (1) The Project Manager cannot be project manager/leader for other projects under construction which have not been accepted;
  - (2) Since 2010, Bidder's proposed Project Manager shall have successfully undertaken at least one [1] Civil Works contract for water treatment plant or wastewater treatment plant, and copies of the key pages of contract indicating the project manager information or copies of the documentary

evidences issued by the Employer related must be furnished (stamped with Bidder's official seal).

## 2.6 Equipment

The Bidder shall demonstrate that it will have access to the key Contractor's equipment listed hereafter:

No.	Name of Equipment	Minimum number required
1	Spiky roller (20T)	1
2	Road roller (12T above level)	4
3	Bulldozer	4
4	Excavator (>1m3)	4
5	Truck, double-rear axles (20T)	10
6	Wheel-type truck crane (50T)	2
7	Water-stable layer materials mixing machine	1 set
8	Asphalt nozzles and pavers	2
9	Source of Bituminous concrete (120t/h)	
10	Source of concrete (20t/h)	

1. The Bidder shall provide equipment and construction machinery to meet the requirements of this project accordingly..
2. The Bidder shall provide further details of proposed items of equipment using the relevant Form in Section IV.

## **Section IV - Bidding Forms**

1. Letter of Bid
2. Schedules
3. Letter of Authorization
4. Form of Bid Security (Bank Guarantee)
5. Qualification Certifying Documentary Evidences
6. Technical Proposal (Construction Organization Design)
  - 1) Works Description
  - 2) Preparation and General Layout of Construction
  - 3) Construction Site Organization
  - 4) Construction Plan
  - 5) Construction Schedule and Guarantee Measures
  - 6) Construction Equipment and Personnel On-site Plan
  - 7) Materials Procurement Plan
  - 8) Funds Using Plan
  - 9) Quality Assurance System and Quality Control Plan
  - 10) Safety Production Measures and Well-behaved Construction Plan
  - 11) Environment Protection, Soil and Water Conservation Plans
7. Personnel (Filled in the form attached)
8. Equipment (Filled in the form attached)
9. Others



# 1. Letter of Bid

Date: \_\_\_\_\_  
Bid No.: \_\_\_\_\_  
Invitation for Bids No.: \_\_\_\_\_  
Alternative Bid No.: \_\_\_\_\_

To:

We, the undersigned, declare that:

- (a) We have examined and have no reservations to the Bidding Documents, including Addenda issued in accordance with Instructions to Bidders (ITB) Clause 8;
- (b) We offer to execute in conformity with the Bidding Documents the following Works:  
\_\_\_\_\_  
\_\_\_\_\_;
- (c) The total price of our Bid, excluding any discounts offered in item (d) below is: \_\_\_\_\_;
- (d) The discounts offered and the methodology for their application are: \_\_\_\_\_;
- (e) Our Bid shall be valid for a period as stipulated in ITB 22.1 from the date fixed for the Bid submission deadline in accordance with the Bidding Documents, and it shall remain binding upon us and may be accepted at any time before the expiration of that period;
- (f) If price adjustment provisions apply, the Table(s) of Adjustment Data shall be considered part of this Bid;<sup>1</sup>
- (g) Our firm, including any subcontractors or suppliers for any part of the Contract, have nationalities from eligible countries;
- (h) We are not participating, as a Bidder or as a subcontractor, in more than one Bid in this Bidding process in accordance with ITB Sub-Clause 4.3, other than alternative offers submitted in accordance with ITB Sub-Clause 13;
- (i) We, along with any of our subcontractors, suppliers, consultants, manufacturers, or service providers for any part of the contract, are not subject to, and not controlled by any entity or individual that is subject to, a temporary suspension or a debarment imposed by the New Development Bank or a debarment imposed by the New Development Bank. Further, we

<sup>1</sup> Include if price adjustment provisions apply in the Contract in accordance with PCC Sub-Clause 45.1 Adjustments for Changes in Cost.

are not ineligible under the Employer's country laws or official regulations or pursuant to a decision of the United Nations Security Council.

- (j) We are not a state-owned entity / We are a state-owned entity but meet the requirements of ITB Sub-Clause 4.5;<sup>2</sup>
- (k) We have paid, or will pay the following commissions, gratuities, or fees with respect to the Bidding process or execution of the Contract: <sup>3</sup>

Name of Recipient	Address	Reason	Amount
.....	.....	.....	.....
.....	.....	.....	.....

- (l) We understand that this Bid, together with your written acceptance thereof included in your notification of award, shall constitute a binding contract between us, until a formal contract is prepared and executed;
- (m) We understand that you are not bound to accept the lowest evaluated Bid or any other Bid that you may receive; and
- (n) If awarded the contract, the person named below shall act as Contractor's Representative:  
  
\_\_\_\_\_

- (o) We agree to permit Chinese Government or its representative to inspect our account and records and other documents relating to the Bid submission and to have them audited by auditors appointed by Chinese Government.
- (p) We hereby certify that we have taken steps to ensure that no person acting for us or on our behalf will engage in any type of fraud and corruption.

Name: \_\_\_\_\_

In the capacity of: \_\_\_\_\_

Signed: \_\_\_\_\_

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

Official Seal: \_\_\_\_\_

Date: \_\_\_\_\_

<sup>2</sup> Use one of the two options as appropriate.  
<sup>3</sup> If none has been paid or is to be paid, indicate "none".

# **Schedules**

## **2. Bill of Quantities (Bound Separately)**

### 3.1 Letter of Authorization

I, \_\_\_\_\_ (Name) am the Legal Representative of \_\_\_\_\_ (Name of Bidder) , and now I authorize \_\_\_\_\_ (Name) to be the representative of our company to represent us by signing, requesting for clarifications, making statements, make amendment, submitting, withdrawing, modifying our Bid Documents for (Name of Project and Contract) as well as signing the contract and dealing with all the issues related. The related legal consequences shall be borne by ourselves.

Period of the Authorization\_\_\_\_\_.

The authorized representative has no rights to transfer this authorization.

Attach: ID Certificate of Legal Representative of Bidder.

Name of Bidder: \_\_\_\_\_ (stamped with official seal)

Legal Representative: \_\_\_\_\_ (Signature of Legal Representative)

ID Number:

Authorized Representative: \_\_\_\_\_ (Signature of Authorized Representative)

Cellphone Number:

ID Number:

\_\_\_\_\_

\_\_\_\_YYYY\_\_MM\_\_DD

Copy of Authorized Representative's ID card (front)	Copy of Authorized Representative's ID card (back)
---	--

## 3.2 Form of Bid Security (Bank Guarantee)

*(The Bank shall fill in this Bank Guarantee Form in accordance with the instructions indicated and issue in the Bank's official letterhead.)*

\_\_\_\_\_

*(Bank's Name, and Address of Issuing Branch or Office)*

**Beneficiary:** \_\_\_\_\_ *(Employer's Name and Address)*

**Date:** \_\_\_\_\_

**BID GUARANTEE No.:** \_\_\_\_\_

This Guarantee is hereby issued to serve as a Bid Security of \_\_\_\_\_ *(insert Bidder's name)* (hereinafter called "the Bidder") for Invitation for Bids (IFB) No. \_\_\_\_\_ *(insert number of IFB)* for the execution of \_\_\_\_\_ *(insert description of the Works)* to \_\_\_\_\_ *(insert Employer's name)*. The \_\_\_\_\_ *(insert the name of the issuing Bank)* hereby unconditionally and irrevocably guarantees and binds itself, its successors and assigns to pay you immediately without recourse, the sum of \_\_\_\_\_ *(insert the amount in Chinese Yuan)* upon receipt of your written notification stating any of the following:

- (a) The Bidder has withdrawn its Bid during the period of Bid validity specified by the Bidder in Bid Submission Form; or
- (b) The Bidder has been notified of the acceptance of its Bid by the Employer during the period of Bid validity: (i) fails or refuses to execute the Contract Agreement or (ii) fails or refuses to furnish the Performance Security, if required, in accordance with the Instructions to Bidders.

This guarantee will expire: (a) if the Bidder is the successful Bidder, upon our receipt of copies of the contract signed by the Bidder and the performance security issued to you upon the instruction of the Bidder; and (b) if the Bidder is not the successful Bidder, upon the earlier of (i) our receipt of a copy your notification to the Bidder of the name of the successful Bidder; or (ii) twenty-eight days after the expiration of the Bidder's Bid.

Consequently, any demand for payment under this guarantee must be received by us at the office on or before that date.

\_\_\_\_\_

*(insert name of Issuing Bank)*

By \_\_\_\_\_

*(Printed name and signature of official authorized to sign on behalf of Issuing bank)*

Official Seal: \_\_\_\_\_

## **4. Technical Proposal Forms**

- i. Works Description
- ii. Preparation and General Layout of Construction
- iii. Construction Site Organization
- iv. Construction Plan
- v. Construction Schedule and Guarantee Measures
- vi. Construction Equipment and Personnel On-site Plan
- vii. Materials Procurement Plan
- viii. Funds Using Plan
- ix. Quality Assurance System and Quality Control Plan
- x. Safety Production Measures and Well-behaved Construction Plan
- xi. Environment Protection, Soil and Water Conservation Plans

**Note:**

If the Bidder does not provide the detailed special construction plan or if it's proposed construction methods are unreasonable or if it's construction measures fail to substantially respond to the technical requirements of the technical specifications, the Bid of the bidder may be rejected.

## Forms for Personnel

### Form 2.5.1: Proposed Personnel

Bidders should provide the names of suitably qualified personnel to meet the specified requirements for each of the positions listed in Section III (Evaluation and Qualification Criteria).

1.	Title of position
	Name
2.	Title of position
	Name
3.	Title of position
	Name
4.	Title of position
	Name
5.	Title of position
	Name
6.	Title of position
	Name
etc.	Title of position
	Name





## Forms for Equipment

The Bidder shall provide adequate information to demonstrate clearly that it has the capability to meet the requirements for the key equipment listed in Section III (Evaluation and Qualification Criteria). A separate Form shall be prepared for each item of equipment listed, or for alternative equipment proposed by the Bidder. The Bidder shall provide all the information requested below, to the extent possible.

<b>Type of Equipment</b>		
<b>Equipment Information</b>	<b>Name of manufacturer</b>	<b>Model and power rating</b>
	<b>Capacity</b>	<b>Year of manufacture</b>
<b>Current Status</b>	<b>Current location</b>	
	<b>Details of current commitments</b>	
<b>Source</b>	<b>Indicate source of the equipment</b> <input type="radio"/> Owned <input type="radio"/> Rented <input type="radio"/> Leased <input type="radio"/> Specially manufactured	

The following information shall be provided only for equipment not owned by the Bidder.

<b>Owner</b>	<b>Name of owner</b>	
	<b>Address of owner</b>	
	<b>Telephone</b>	<b>Contact name and title</b>
	<b>Fax</b>	<b>Telex</b>
<b>Agreements</b>	<b>Details of rental / lease / manufacture agreements specific to the project</b>	

# Bidder's Qualification

To establish its qualifications to perform the contract in accordance with Section III (Evaluation and Qualification Criteria) the Bidder shall provide the information requested in the corresponding Information Sheets included hereunder

## Form ELI 2.1

### Bidder Information Sheet

Date: \_\_\_\_\_  
Bid No.: \_\_\_\_\_

1. Bidder's Legal Name
2. Bidder's Country of Registration:
3. Bidder's Year of Registration:
4. Bidder's Legal Address in Country of Registration:
5. Bidder's Authorized Representative Information Name: Address: Telephone/Fax numbers: Email Address:
6. Attached are copies of original documents of: Articles of Incorporation or Registration of firm named in 1, above, in accordance with ITB Sub-Clauses 4.1 and 4.2. In case of the state-owned entity, documents establishing legal and financial autonomy and compliance with the principles of commercial law, in accordance with ITB Sub-Clause 4.5.



**Form CON – 2.2.1**

**Historical Contract Non-Performance**

Bidder's Legal Name: \_\_\_\_\_ Date: \_\_\_\_\_

Bid No.: \_\_\_\_\_

Contract non-performance did not occur during the stipulated period, in accordance with Sub-Factor 2.2.1 of Section III (Evaluation and Qualification Criteria)

Contract non-performance during the stipulated period, in accordance with Sub-Factor 2.2.1 of Section III(Evaluation and Qualification Criteria).

Year	Non-performed Value as Percent of Total Assets	Contract Identification	Total Contract Amount
_____	_____	Contract Identification: Name of Employer: Address of Employer: Matter in dispute:	_____
	_____	Contract Identification: Name of Employer: Address of Employer: Matter in dispute:	_____
_____	_____	Contract Identification: Name of Employer: Address of Employer: Matter in dispute:	_____
To be added as needed.			

**Form CON – 2.2.2**

**Historical Pending Litigation**

Bidder's Legal Name: \_\_\_\_\_ Date: \_\_\_\_\_  
 Bid No.: \_\_\_\_\_

No pending litigation in accordance with Sub-Factor 2.2.2 of Section III(Evaluation and Qualification Criteria)			
Pending litigation in accordance with Sub-Factor 2.2.2 of Section III(Evaluation and Qualification Criteria), as indicated below			
Year	Disputed Value as Percent of Total Assets	Contract Identification	Total Contract Amount
_____	_____	Contract Identification: Name of Employer: Address of Employer: Matter in dispute:	_____
_____	_____	Contract Identification: Name of Employer: Address of Employer: Matter in dispute:	_____
To be added as needed.			

**Form FIN – 2.3.1.**  
**Financial Situation**

**Historical Financial Performance**

Bidder's Legal Name: \_\_\_\_\_ Date: \_\_\_\_\_

Bid No.: \_\_\_\_\_

To be completed by the Bidder

Financial information in CNY equivalent	Historic information for previous _____ ( ) years (CNY equivalent in 000s)						
	Year 1	Year 2	Year 3	Year ...	Year n	Avg.	Avg. Ratio
<b>Information from Balance Sheet</b>							
Total Assets (TA)							
Total Liabilities (TL)							
Net Worth (NW)							
Current Assets (CA)							
Current Liabilities (CL)							
<b>Information from Income Statement</b>							
Total Revenue (TR)							
Profits Before Taxes (PBT)							

Attached are copies of financial statements (balance sheets, including all related notes, and income statements) for the years required above complying with the following conditions:

- Must reflect the financial situation of the Bidder, and not sister or parent companies
- Historic financial statements shall be audited by a certified accountant
- Historic financial statements shall be complete, including all notes to the financial statements
- Historic financial statements shall correspond to accounting periods already completed and audited (no statements for partial periods shall be requested or accepted)

**Form FIN – 2.3.2**

**Average Annual Construction Turnover**

Bidder's Legal Name: \_\_\_\_\_ Date: \_\_\_\_\_  
 Bid No.: \_\_\_\_\_

Annual turnover data (construction only)		
Year	Amount and Currency	CNY equivalent
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
Average Annual Construction Turnover	_____	_____

Average annual construction turnover calculated as total certified payments received for work in progress.

**Form FIN-2.3.3.1**

**Financial Resources**

Specify proposed sources of financing, such as liquid assets, lines of credit, and other financial means, net of current commitments, available to meet the total construction cash flow demands of the subject contract or contracts as indicated in Section III (Evaluation and Qualification Criteria)

Source of financing	Amount (CNY equivalent)
1.	
2.	
3.	
4.	

Liquid assets mean cash and cash equivalents, short-term financial instruments, short-term available-for-sale securities, trade receivables, short-term financial receivables and other assets that can be converted into cash within one year.



Form FIN-2.3.3.2

**Current Contract Commitments/Works in Progress**

Bidders 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.

Name of contract	Employer, contact address/tel/fax	Value of outstanding work (current CNY equivalent)	Estimated completion date	Average monthly invoicing over last six months (CNY/month)
1.				
2.				
3.				
4.				
5.				
etc.				

**Form EXP – 2.4.1**  
**General Experience**

Bidder's Legal Name: \_\_\_\_\_ Date: \_\_\_\_\_  
 Bid No.: \_\_\_\_\_

Starting Month / Year	Ending Month / Year	Contract Identification	Role of Bidder
_____	_____	Contract name: Brief Description of the Works performed by the Bidder: Name of Employer: Address:	_____
_____	_____	Contract name: Brief Description of the Works performed by the Bidder: Name of Employer: Address:	_____
_____	_____	Contract name: Brief Description of the Works performed by the Bidder: Name of Employer: Address:	_____
_____	_____	Contract name: Brief Description of the Works performed by the Bidder: Name of Employer: Address:	_____
_____	_____	Contract name: Brief Description of the Works performed by the Bidder: Name of Employer: Address:	_____
_____	_____	Contract name: Brief Description of the Works performed by the Bidder: Name of Employer: Address:	_____

**Form EXP – 2.4.2**  
**Specific Experience**

Bidder's Legal Name: \_\_\_\_\_ Date: \_\_\_\_\_  
 Bid No.: \_\_\_\_\_

Information			
Contract Identification	_____		
Award date	_____		
Completion date	_____		
Role in Contract	Contractor	Management Contractor	Subcontract or
Total contract amount	_____		CNY_____
If partner in a JV or subcontractor, specify participation of total contract amount	_____ %	_____	CNY_____
Employer's Name:	_____		
Address:	_____ _____		
Telephone/fax number:	_____		
E-mail:	_____		
Description of the similarity in accordance with Sub-Factor 2.4.2 of Section III (Evaluation and Qualification Criteria):			
Physical size	_____		
Complexity	_____		
Methods/Technology	_____		
Physical Production Rate	_____		

**Form EXP – 2.4.2 (cont.)**  
**Specific Experience (cont.)**

Bidder's Legal Name: \_\_\_\_\_ Date: \_\_\_\_\_  
 Bid No.: \_\_\_\_\_

Information			
Contract Identification	_____		
Award date	_____		
Completion date	_____		
Role in Contract	Contractor	Management Contractor	Subcontract or
Total contract amount	_____		CNY_____
If partner in a JV or subcontractor, specify participation of total contract amount	_____ %	_____	CNY_____
Employer's Name:	_____		
Address:	_____ _____		
Telephone/fax number:	_____		
E-mail:	_____		
Description of the similarity in accordance with Sub-Factor 2.4.2 (b) of Section III (Evaluation and Qualification Criteria):			
Physical size	_____		
Complexity	_____		
Methods/Technology	_____		
Physical Production Rate	_____		

### **Contracts to be Subcontracted and Subcontractor Proposed**

Works to be Subcontracted	Value of Subcontract	Subcontractor (Name and Address)	Similar Works Experience

If there is any subcontracts, the Bidder must provide the agreement or authorization of bidding signed with the proposed subcontractors, which shall indicate the Works to be undertaken by the subcontractor, the value of subcontract etc; the Bidder shall provide the copies of subcontractor's certifying documents including business license, qualification certificates etc; meanwhile, the Bidder shall furnish the supporting documents to demonstrate subcontractor's similar Works experience such as project acceptance document or Employer's certifying documents.

## **Section V – Eligible Countries**

### **New Development Bank Membership Country List**

People's Republic of China
Republic of India
Federative Republic of Brazil
Russian Federation
Republic of South Africa

# **PART 2 – Employer's Requirements**

**(Bound Separately)**

# 1. Specifications



## **2. Drawings**

Please see drawings attached.

### **3. Supplementary Information**

## **PART 3 – Contract**

# Section VII. General Conditions of Contract

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## General Conditions of Contract

### A. General

#### 1. Definitions

1.1 Boldface type is used to identify defined terms.

- (a) The **Accepted Contract Amount** means the amount accepted in the Letter of Acceptance for the execution and completion of the Works and the remedying 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 forming the Bid. 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 GCC 24.
- (d) **Financing Institution** means the institution as **named in the PCC**.
- (e) **Bill of Quantities** means the priced and completed Bill of Quantities forming part of the Bid.
- (f) **Compensation Events** are those defined in GCC Clause 42 hereunder.
- (g) The **Completion Date** is the date of completion of the Works as certified by the Project Supervisor, in accordance with GCC Sub-Clause 54.1.
- (h) 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 Sub-Clause 2.3 below.
- (i) The **Contractor** is the party whose Bid to carry out the Works has been accepted by the Employer.
- (j) The **Contractor's Bid** is the completed Bidding document submitted by the Contractor to the Employer.
- (k) The **Contract Price** is the Accepted Contract Amount stated in the Letter of Acceptance and thereafter as adjusted in accordance with the Contract.
- (l) **Days** are calendar days; months are calendar months.

- (m) **DayWorks** 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.
- (n) A **Defect** is any part of the Works not completed in accordance with the Contract.
- (o) The **Defects Liability Certificate** is the certificate issued by Project Supervisor upon correction of defects by the Contractor.
- (p) The **Defects Liability Period** is the period **named in the PCC** pursuant to Sub-Clause 34.1 and calculated from the Completion Date.
- (q) **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 Supervisor for the execution of the Contract.
- (r) The **Employer** is the party who employs the Contractor to carry out the Works, **as specified in the PCC**.
- (s) **Equipment** is the Contractor's machinery and vehicles brought temporarily to the Site to construct the Works.
- (t) **Force Majeure** means an exceptional event or circumstance; which is beyond a party's control; which such party could not reasonably have provided against before entering into the Contract; which, having arisen, such party could not reasonably have avoided or overcome; and, which is not substantially attributable to the other party.
- (u) **In writing** or **written** means hand-written, type-written, printed or electronically made, and resulting in a permanent record;
- (v) The **Initial Contract Price** is the Contract Price listed in the Employer's Letter of Acceptance.
- (w) 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 Supervisor, with prior approval of the Employer, by issuing an extension of time or an acceleration

order.

- (x) The **Letter of Acceptance** means the letter of formal acceptance, signed by the Employer, of the Letter of Bid, including any annexed memoranda comprising agreements between and signed by both Parties. If there is no such letter of acceptance, the expression "Letter of Acceptance" means the Contract Agreement and the date of issuing or receiving the Letter of Acceptance means the date of signing the Contract Agreement.
- (y) **Materials** are all supplies, including consumables, used by the Contractor for incorporation in the Works.
- (z) **Plant** is any integral part of the Works that shall have a mechanical, electrical, chemical, or biological function.
- (aa) The **Project Supervisor** is the person, independent from the Employer, **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 Supervisor) who is appointed by the Employer to be responsible for supervising the execution of the Works and administering the Contract.
- (ab) **PCC** means Particular Conditions of Contract.
- (ac) The **Retention Money** means the accumulated retention moneys which the Employer retains under Sub-Clause and pays under Sub-Clause
- (ad) The **Site** is the area **defined as such in the PCC**.
- (ae) **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.
- (af) **Specification** means the Specification of the Works included in the Contract and any modification or addition made or approved by the Project Supervisor.
- (ag) 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.
- (ah) 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.

- (ai) **Temporary Works** are Works designed, constructed, installed, and removed by the Contractor that are needed for construction or installation of the Works.
- (aj) **A Variation** is an instruction given by the Project Supervisor which varies the Works.
- (ak) The **Works** are what the Contract requires the Contractor to construct, install, and turn over to the Employer, **as defined in the PCC**.

- 2. Interpretation**
- 2.1 In interpreting these GCC, words indicating one gender include all genders. Words indicating the singular also include the plural and words indicating the plural also include the singular. Headings have no significance. Words have their normal meaning under the language of the Contract unless specifically defined. The Project Supervisor shall provide instructions clarifying queries about these GCC.
  - 2.2 If sectional completion is **specified in the PCC**, references in the GCC to the Works, the Completion Date, and the Intended Completion Date apply to any Section of the Works (other than references to the Completion Date and Intended Completion Date for the whole of the Works).
  - 2.3 The documents forming the Contract shall be interpreted in the following order of priority:
    - (a) Agreement,
    - (b) Letter of Acceptance,
    - (c) Contractor's Bid,
    - (d) Particular Conditions of Contract,
    - (e) General Conditions of Contract,
    - (f) Specifications,
    - (g) Drawings,
    - (h) Priced Bill of Quantities,<sup>4</sup> and
    - (i) any other document **listed in the PCC** as forming part of the Contract.
- 3. Language and Law**
- 3.1 The language of the Contract is Chinese and the laws governing the Contract are the prevailing laws of China.

---

<sup>4</sup> *In lump sum contracts, delete "Bill of Quantities" and replace with "Activity Schedule."*

- 4. Project Supervisor's Duties and Authorities**
- 4.1 The Project Supervisor may exercise the authority specified in or necessary to be implied from the Contract, provided always that if he is required, under the terms of the Contract and/or his appointment by the Employer, to obtain the specific approval or consent of the Employer prior to exercising any such authority. In any case, except as expressly stated in the Contract, the Project Supervisor shall have no authority to relieve the Contractor of any of his obligations under the Contract.
- 4.2 The Project Supervisor shall clarify queries on Particular Conditions of Contract.
- 4.3 The Project Supervisor shall obtain the specific approval of the Employer before taking any of the following actions:
- approval to the subletting of any part of the Works under Clause 7;
  - certifying additional cost determined under Clause 37 in case of admeasurement contract;
  - determining an extension of time under Clauses 26, 27, 28 and 29; and
  - fixing rates or prices under Sub-Clause 42.3 and under Sub-Clause 38.3.
- 5. Delegation**
- 5.1 **Unless otherwise specified in the PCC**, the Project Supervisor may delegate any of his duties and responsibilities to other people, except to the Adjudicator, after notifying the Contractor, and may revoke any delegation after notifying the Contractor.
- 6. Communications**
- 6.1 Communications between parties that are referred to in the Conditions shall be effective only when in writing. A notice shall be effective only when it is delivered.
- 7. Subcontracting**
- 7.1 The Contractor may subcontract with the approval of the Project Supervisor, but may not in any case assign the Contract. Subcontracting shall not alter the Contractor's obligations.
- 8. Other Contractors**
- 8.1 The Contractor shall cooperate and share the Site with other contractors, public authorities, utilities, and the Employer between the dates given in the Schedule of Other Contractors, as **referred to in the PCC**. The Contractor shall also provide facilities and services for them as described in the Schedule. The Employer may from time to time modify through the Project Supervisor the Schedule of Other Contractors, and shall notify the

Contractor of any such modification.

**9. Personnel and Equipment**

9.1 The Contractor shall employ the key personnel and use the equipment identified in its Bid, to carry out the Works or other personnel and equipment approved by the Project Supervisor. The Project Supervisor shall approve any proposed replacement of key personnel and equipment only if their relevant qualifications or characteristics are substantially equal to or better than those proposed in the Bid.

9.2 If the Project Supervisor requests the Contractor to remove a person who is a member of the Contractor's staff or work force, stating the reasons, the Contractor shall ensure that the person leaves the Site within seven days and has no further connection with the work in the Contract.

**10. Employer's and Contractor's Risks**

10.1 The Employer carries the risks, which this Contract states are Employer's risks, and the Contractor carries the risks, which this Contract states are Contractor's risks.

**11. Employer's Risks**

11.1 From the Start Date until the Defects Liability Certificate has been issued, the following are Employer's risks:

(a) The risk of personal injury, death, or loss of or damage to property (excluding the Works, Plant, Materials, and Equipment), which are due to

(i) use or occupation of the Site by the Works or for the purpose of the Works, which is the unavoidable result of the Works or

(ii) negligence, breach of statutory duty, or interference with any legal right by the Employer or by any person employed by or contracted to him except the Contractor.

(b) The risk of damage to the Works, Plant, Materials, and Equipment to the extent that it is due to a fault of the Employer or in the Employer's design, or the nature of Force Majeure.

11.2 From the Completion Date until the Defects Liability Certificate has been issued, the risk of loss of or damage to the Works, Plant, and Materials is an Employer's risk except loss or damage due to

(a) a Defect which existed on the Completion Date,

(b) an event occurring before the Completion Date, which was not itself an Employer's risk, or

(c) the activities of the Contractor on the Site after the Completion Date.

**12. Contractor's Risks**

12.1 From the Starting Date until the Defects Liability Certificate has been issued, the risks of personal injury, death, and loss of or damage to property (including, without limitation, the Works, Plant, Materials, and Equipment) which are not Employer's risks are Contractor's risks.

**13. Indemnities**

13.1 Each party shall indemnify the other party against losses, extra expenses and claims for loss or damage to the property, injury and death of personnel caused by his own acts or omission.

13.2 The party claiming indemnity shall take all reasonable measures to mitigate the loss or damage which may occur.

13.3 The Contractor shall indemnify the Employer against claims for damages caused by the movement of the Equipment or Temporary Works outside the Site.

**14. Insurance**

14.1 The Contractor shall provide, in the joint names of the Employer and the Contractor, insurance cover all risks, including the loss of or damage to the Work, Plant, Materials, Equipment, the properties (except stated above) in connection with the execution of the Contract, and personal injury or death, from the Start Date to the end of the Defects Liability Period, in the amounts and deductibles satisfactory to the Employer. The following insurances shall be provided for the purpose of this sub-clause:

(a) Insurance for Works and Contractor's Equipment;

(b) Insurance against injury to personnel and damages to Property;

(c) Insurance for Contractor's Personnel; and

(d) other insurances **required in PCC**.

14.2 Policies and certificates for insurance shall be delivered by the Contractor to the Project Supervisor for the Project Supervisor's approval fourteen days (14 days) prior to the Start Date. All such insurance shall provide for compensation to be payable in the CHINESE YUAN to rectify the loss or damage incurred.

14.3 If the Contractor does not provide any of the policies and certificates required, the Employer may effect the insurance which the Contractor should have provided and recover the premiums the Employer has paid from payments otherwise due to the Contractor or, if no payment is due, the payment of the premiums shall be a

debt due.

14.4 Alterations to the terms of an insurance shall not be made without the approval of the Project Supervisor.

14.5 Both parties shall comply with any conditions of the insurance policies.

**15. Site Data and Details to be Confidential**

15.1 The Contractor shall be deemed to have examined any Site Data **referred to in the PCC**, supplemented by any information available to the Contractor.

15.2 The Contractor shall treat the details of the Contract as private and confidential, save in so far as may be necessary for the purpose thereof, and shall not publish or disclose the same or any particulars thereof in any trade or technical paper or elsewhere without the previous consent in writing of the Employer or the Project Supervisor. If any dispute arises as to the necessity of any publication or disclosure for the purpose of the Contract the same shall be referred to the Employer whose decision shall be final.

**16. Contractor to Construct the Works**

16.1 The Contractor shall construct and install the Works in accordance with the Specifications and Drawings.

**17. The Works to Be Completed by the Intended Completion Date**

17.1 The Contractor may commence execution of the Works on the Start Date and shall carry out the Works in accordance with the Program submitted by the Contractor, as updated with the approval of the Project Supervisor, and complete them by the Intended Completion Date.

**18. Approval by the Project Supervisor**

18.1 The Contractor shall submit Specifications and Drawings showing the proposed Temporary Works to the Project Supervisor, for his approval.

18.2 The Contractor shall be responsible for design of Temporary Works.

18.3 The Project Supervisor's approval shall not alter the Contractor's responsibility for design of the Temporary Works.

18.4 The Contractor shall obtain approval of third parties to the design of the Temporary Works, where required.

18.5 All Drawings prepared by the Contractor for the execution of the temporary or permanent Works, are subject to prior approval by the Project Supervisor before this use.

**19. Safety and Protection**

19.1 The Contractor shall be responsible for the safety of all

- of  
Environment  
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- activities on the Site.
- 19.2 The Contractor shall take all reasonable measures according to applicable environmental protection laws and regulations to protect the environment on and in vicinity of the Site and avoid damage or nuisance to personnel or to property of the public and others resulting from pollution, noise or other causes arising as a consequence of the Contractor's acts and/or operation.
- 20. Discoveries** 20.1 Anything of historical or other interest or of significant value unexpectedly discovered on the Site shall be the property of the Employer. The Contractor shall promptly notify the Project Supervisor of such discoveries and carry out the Project Supervisor's instructions for dealing with them.
- 21. Possession of the Site** 21.1 The Employer shall give possession of all parts of the Site to the Contractor. If possession of a part is not given by the date **stated in the PCC**, the Employer shall be deemed to have delayed the start of the relevant activities, and this shall be a Compensation Event.
- 22. Access to the Site** 22.1 The Contractor shall allow the Project Supervisor and any person authorized by the Project Supervisor access to the Site and to any place where work in connection with the Contract is being carried out or is intended to be carried out.

- 23. Instructions, Inspections and Audits**
- 23.1 The Contractor shall carry out all instructions of the Project Supervisor which comply with the applicable laws where the Site is located.
- 23.2 The Contractor shall permit, and shall cause its Subcontractors and subconsultants to permit the Borrower and/or persons appointed by the Borrower to inspect the Site and/or the accounts and records of the Contractor and its sub-contractors relating to the performance of the Contract, and to have such accounts and records audited by auditors appointed by the Borrower if required by the related departments of Chinese Government. The Contractor's attention is drawn to Sub-Clause 59.1 which provides, inter alia, that acts intended to materially impede the exercise of the related departments of Chinese Government's inspection and audit rights provided for under this sub-clause constitute a prohibited practice subject to contract termination. The Contractor shall maintain all documents and records related to the Contract for a period of three (3) years after completion of the Works. The Contractor shall provide any documents necessary for the investigation of allegations of fraud, collusion, coercion or corruption and require its employees or agents with knowledge of the Contract to respond to questions from the related departments of Chinese Government.
- 24. Appointment of the Adjudicator**
- 24.1 The Adjudicator shall be appointed jointly by the Employer and the Contractor, at the time of the Employer's issuance of the Letter of Acceptance. If, in the Letter of Acceptance, the Employer does not agree on the appointment of the Adjudicator, the Employer will request the Appointing Authority **designated in the PCC**, to appoint the Adjudicator within 14 days of receipt of such request.
- 24.2 Should the Adjudicator resign or die, or should the Employer and the Contractor agree that the Adjudicator is not functioning in accordance with the provisions of the Contract, a new Adjudicator shall be jointly appointed by the Employer and the Contractor. In case of disagreement between the Employer and the Contractor, within thirty (30) days, the Adjudicator shall be designated by the Appointing Authority **designated in the PCC** at the request of either party, within 14 days of receipt of such request.
- 25. Procedure for Disputes**
- 25.1 If the Contractor believes that a decision taken by the Project Supervisor was either outside the authority given to the Project Supervisor by the Contract or that the decision was wrongly taken, the decision shall be referred to the Adjudicator within fourteen (14) days of the notification of

the Project Supervisor's decision.

25.2 The Adjudicator shall give a decision in writing within twenty eight (28) days of receipt of a notification of a dispute.

25.3 The Adjudicator shall be paid by the hour at the **rate specified in the PCC**, together with reimbursable expenses of the types **specified in the PCC**, and the cost shall be divided equally between the Employer and the Contractor, whatever decision is reached by the Adjudicator. Either party may refer a decision of the Adjudicator to an Arbitrator within twenty eight (28) days of the Adjudicator's written decision. If neither party refers the dispute to arbitration within the above twenty eight (28) days, the Adjudicator's decision shall be final and binding.

25.4 The arbitration shall be conducted in accordance with the arbitration procedures published by the institution named and in the place specified **in the PCC**.

## **B. Time Control**

### **26. Program**

26.1 Within the time **stated in the PCC**, after the date of the Letter of Acceptance, the Contractor shall submit to the Project Supervisor for approval a Program, in the format acceptable to the Project Supervisor, showing the general methods, arrangements, order, and timing for all the activities in the Works. In the case of a lump sum contract, the activities in the Program shall be consistent with those in the Activity Schedule.

26.2 An update of the Program shall be based on the baseline program approved by the Project Supervisor and a program showing the actual progress achieved on each activity and the effect of the progress achieved on the timing of the remaining work, including any changes to the sequence of the activities.

26.3 The Contractor shall submit to the Project Supervisor for approval an updated Program at intervals no longer than the period **stated in the PCC**. If the Contractor does not submit an updated Program within this period, the Project Supervisor may withhold the amount **stated in the PCC** from the next payment certificate and continue to withhold this amount until the next payment after the date on which the overdue Program has been submitted. In the case of a lump sum contract, the Contractor shall provide an updated Activity Schedule within 14 days of being instructed to by the Project Supervisor.

26.4 The Project Supervisor's approval of the Program and/or



the updated Program shall not alter the Contractor's obligations. The Contractor may revise the Program and submit it to the Project Supervisor again at any time. A revised Program shall show the effect of Variations and Compensation Events.

**27. Extension of the Intended Completion Date**

27.1 The Project Supervisor shall extend the Intended Completion Date if a Compensation Event occurs or a Variation is issued which makes it impossible for Completion to be achieved by the Intended Completion Date without the Contractor taking steps to accelerate the remaining work, which would cause the Contractor to incur additional cost.

27.2 The Project Supervisor shall decide whether and by how much to extend the Intended Completion Date within twenty one (21) days of the Contractor requesting the Project Supervisor for a decision upon the effect of a Compensation Event or Variation and submitting full supporting information. If the Contractor has failed to give early warning of a delay or has failed to cooperate in dealing with a delay, the delay by this failure shall not be considered in assessing the new Intended Completion Date.

**28. Acceleration**

28.1 When the Employer wants the Contractor to finish before the Intended Completion Date, the Project Supervisor shall obtain priced proposals for achieving the necessary acceleration from the Contractor. If the Employer accepts these proposals, the Intended Completion Date shall be adjusted accordingly and confirmed by both the Employer and the Contractor.

28.2 If the Contractor's priced proposals for an acceleration are accepted by the Employer, they are incorporated in the Contract Price and treated as a Variation.

**29. Delays Ordered by the Project Supervisor**

29.1 The Project Supervisor may instruct the Contractor to delay the start or progress of any activity within the Works.

**30. Management Meetings**

30.1 Either the Project Supervisor or the Contractor may require the other to attend a management meeting. The business of a management meeting shall be to review the plans for remaining work and to deal with matters raised in accordance with the early warning procedure.

30.2 The Project Supervisor shall prepare the minutes of management meetings and provide copies of the minutes to those attending the meeting and to the Employer. The responsibility of the parties for actions to be taken shall be

decided by the Project Supervisor either at the management meeting or after the management meeting and stated in writing to all who attended the meeting.

**31. Early Warning**

31.1 The Contractor shall warn the Project Supervisor at the earliest opportunity of specific likely future events or circumstances that may adversely affect the quality of the work, increase the Contract Price, or delay the execution of the Works. The Project Supervisor may require the Contractor to provide an estimate of the expected effect of the future event or circumstance on the Contract Price and Completion Date. The estimate shall be provided by the Contractor as soon as reasonably possible.

31.2 The Contractor shall cooperate with the Project Supervisor in making and considering proposals for how the effect of such an event or circumstance can be avoided or reduced by anyone involved in the work and in carrying out any resulting instruction of the Project Supervisor.

**C. Quality Control**

**32. Identifying Defects**

32.1 The Project Supervisor shall check the Contractor's work and notify the Contractor of any Defects that are found. Such checking shall not affect the Contractor's responsibilities. The Project Supervisor may instruct the Contractor to search for a Defect and to uncover and test any work that the Project Supervisor considers may have a Defect.

**33. Tests**

33.1 If the Project Supervisor instructs the Contractor to carry out a test not specified in the Specification to check whether any work has a Defect and the test shows that it does, the Contractor shall pay for the test and any samples. If there is no Defect, the test shall be a Compensation Event.

**34. Correction of Defects**

34.1 The Project Supervisor shall give notice to the Contractor of any Defects before the end of the Defects Liability Period, which begins at Completion, and is **defined in the PCC**. The Defects Liability Period shall be extended for as long as Defects remain to be corrected.

34.2 Every time notice of a Defect is given, the Contractor shall correct the notified Defect within the length of time specified by the Project Supervisor's notice.

**35. Uncorrected Defects**

35.1 If the Contractor has not corrected a Defect within the time specified in the Project Supervisor's notice, the Project Supervisor shall assess the cost of having the Defect corrected, and the amount of such cost shall become

payable by the Contractor to the Employer.

## **D. Cost Control**

### **36. Contract Price**

36.1 In the case of an admeasurement contract, the Bill of Quantities shall contain priced items for the Works to be performed by the Contractor. The Bill of Quantities is used to calculate the Contract Price. The Contractor will be paid for the quantity of the work accomplished at the rate in the Bill of Quantities for each item.

36.2 In the case of a lump sum contract, the Activity Schedule shall contain the priced activities for the Works to be performed by the Contractor. The Activity Schedule is used to monitor and control the performance of activities on which basis the Contractor will be paid. If payment for Materials on Site shall be made separately, the Contractor shall show delivery of Materials to the Site separately on the Activity Schedule.

### **37. Changes in the Contract Price**

37.1 In the case of an admeasurement contract:

(a) If the final quantity of the work done differs from the quantity in the Bill of Quantities for the particular item by more than 25 percent, provided the change exceeds 1 percent of the Initial Contract Price, the Project Supervisor shall adjust the rate to allow for the change.

(b) The Project Supervisor shall not adjust rates from changes in quantities if thereby the Initial Contract Price is exceeded by more than fifteen (15) percent, except with the prior approval of the Employer.

(c) If requested by the Project Supervisor, the Contractor shall provide the Project Supervisor with a detailed cost breakdown of any rate in the Bill of Quantities.

37.2 In the case of a lump sum contract, the Activity Schedule shall be amended by the Contractor to accommodate changes of Program or method of working made at the Contractor's own discretion. Prices in the Activity Schedule shall not be altered when the Contractor makes such changes to the Activity Schedule.

### **38. Variations**

38.1 All Variations shall be included in updated Programs, and, in the case of a lump sum contract, also in the Activity Schedule, produced by the Contractor.

38.2 The Contractor shall provide the Project Supervisor with a quotation for carrying out the Variation when requested to do so by the Project Supervisor. The Project Supervisor

shall assess the quotation, which shall be given within seven (7) days of the request or within any longer period stated by the Project Supervisor and before the Variation is ordered.

38.3 If the Contractor's quotation is unreasonable, the Project Supervisor may order the Variation and make a change to the Contract Price, which shall be based on the Project Supervisor's own forecast of the effects of the Variation on the Contractor's costs.

38.4 If the Project Supervisor decides that the urgency of varying the work would prevent a quotation being given and considered without delaying the work, no quotation shall be given and the Variation shall be treated as a Compensation Event.

38.5 The Contractor shall not be entitled to additional payment for costs that could have been avoided by giving early warning.

38.6 In the case of an admeasurement contract, if the work in the Variation corresponds to an item description in the Bill of Quantities and if, in the opinion of the Project Supervisor, the quantity of work above the limit stated in Sub-Clause 37.1 or the timing of its execution do not cause the cost per unit of quantity to change, the rate in the Bill of Quantities shall be used to calculate the value of the Variation. If the cost per unit of quantity changes, or if the nature or timing of the work in the Variation does not correspond with items in the Bill of Quantities, the quotation by the Contractor shall be in the form of new rates for the relevant items of work.

### **39. Cash Flow Forecasts**

39.1 When the Program, or, in the case of a lump sum contract, the Activity Schedule, is updated, the Contractor shall provide the Project Supervisor with an updated cash flow forecast.

### **40. Payment Certificates**

40.1 The Contractor shall, by the fifth day of each month, submit to the Project Supervisor, together with the Monthly Progress Report in a format acceptable to the Project Supervisor, monthly statements of the estimated value of the work executed less the cumulative amount certified previously.

40.2 The Project Supervisor shall examine and verify the Contractor's monthly statement and certify the amount to be paid to the Contractor.

40.3 The value of work executed shall be determined by the Project Supervisor.

40.4 The value of work executed shall comprise:

- (a) In the case of an admeasurement contract, the value of the quantities of work in the Bill of Quantities that have been completed; or
- (b) In the case of a lump sum contract, the value of work executed shall comprise the value of completed activities in the Activity Schedule.

40.5 The value of work executed shall include the valuation of Variations and Compensation Events.

40.6 The Project Supervisor may exclude any item certified in a previous certificate or reduce the proportion of any item previously certified in any certificate in the light of later information.

#### **41. Payments**

41.1 Payments shall be adjusted for deductions for advance payments, retention and payment payable to the Employer, if any, as specified in the Contract. The Employer shall pay the Contractor the amounts certified by the Project Supervisor within twenty eight (28) days of the date of each certificate. If the Employer makes a late payment, the Contractor shall be paid interest on the late payment in the next payment. Interest shall be calculated on a daily basis from the date by which the payment should have been made up to the date when the late payment is made at the rate equals to the prevailing annual rate of interest for commercial borrowing divided by 365.

41.2 If an amount certified is increased in a later certificate or as a result of an award by the Adjudicator or an Arbitrator, the Contractor shall be paid interest upon the delayed payment as set out in this clause. Interest shall be calculated on a daily basis from the date upon which the increased amount would have been certified in the absence of dispute.

41.3 Unless otherwise stated, all payments and deductions shall be paid or charged in CHINESE YUAN.

41.4 Items of the Works for which no rate or price has been entered in shall not be paid for by the Employer and shall be deemed covered by other rates and prices in the Contract.

#### **42. Compensation Events**

42.1 The following shall be Compensation Events:

- (a) The Employer does not give access to a part of the Site by the Site Possession Date pursuant to GCC Sub-Clause 21.1.
- (b) The Employer modifies the Schedule of Other

Contractors in a way that affects the work of the Contractor under the Contract.

- (c) The Project Supervisor orders a delay or does not issue Drawings, Specifications, or instructions required for execution of the Works on time.
- (d) The Project Supervisor instructs the Contractor to uncover or to carry out additional tests upon work, which is then found to have no Defects.
- (e) The Project Supervisor unreasonably does not approve a subcontract to be let.
- (f) Ground conditions are substantially more adverse than could reasonably have been assumed before issuance of the Letter of Acceptance from the information issued to Bidders (including the Site Investigation Reports), from information available publicly and from a visual inspection of the Site.
- (g) The Project Supervisor gives an instruction for dealing with an unforeseen condition, caused by the Employer, or additional work required for safety or other reasons.
- (h) Other contractors, public authorities, utilities, or the Employer does not work within the dates and other constraints stated in the Contract, and they cause delay or extra cost to the Contractor.
- (i) The advance payment is delayed.
- (j) The effects on the Contractor of any of the Employer's Risks.
- (k) The Project Supervisor unreasonably delays issuing a Certificate of Completion.

42.2 If a Compensation Event would cause additional cost or would prevent the work being completed before the Intended Completion Date, the Contract Price shall be increased and/or the Intended Completion Date shall be extended. The Project Supervisor shall decide whether and by how much the Contract Price shall be increased and whether and by how much the Intended Completion Date shall be extended.

42.3 As soon as information demonstrating the effect of each Compensation Event upon the Contractor's forecast cost has been provided by the Contractor, it shall be assessed by the Project Supervisor, and the Contract Price shall be

adjusted accordingly. If the Contractor's forecast is deemed unreasonable, the Project Supervisor shall adjust the Contract Price based on the Project Supervisor's own forecast. The Project Supervisor shall assume that the Contractor shall react competently and promptly to the event.

42.4 The Contractor shall not be entitled to compensation to the extent that the Employer's interests are adversely affected by the Contractor's not having given early warning or not having cooperated with the Project Supervisor.

#### 43. Tax

43.1 The Contract Price shall include all taxes, duties, levies and other likes that may be levied by concerned authorities and/or agencies of the People's Republic of China and payable by the Contractor in accordance with the laws and regulations in being on the date twenty-eight (28) days prior to the latest date of Bid submission in the People's Republic of China. The Project Supervisor shall adjust the Contract Price if taxes, duties, and other levies are changed between the date twenty eight (28) days before the submission of Bids for the Contract and the date of the last Completion certificate. The adjustment shall be the change in the amount of tax payable by the Contractor, provided such changes are not already reflected in the Contract Price or are a result of GCC Clause 45.

#### 44. Currencies

44.1 The payments are only made in Chinese Yuan.

#### 45. Price Adjustment

45.1 Prices shall be adjusted for fluctuations in the cost of inputs only if **provided for in the PCC**. If so provided, the amounts certified in each payment certificate, before deducting for Advance Payment, shall be adjusted by applying the respective price adjustment factor to the payment amounts due. A formula of the type indicated below applies to price adjustment:

$$P = A + B \text{ Im/lo}$$

where:

P is the adjustment factor for the Contract Price payable.

A and B are coefficients<sup>5</sup> **specified in the PCC**, representing the nonadjustable and adjustable portions, respectively, of the Contract Price payable;

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<sup>5</sup> *The sum of the two coefficients A and B should be 1 (one) in the formula for each currency. Normally, both coefficients shall be the same in the formulae for all currencies, since coefficient A, for the nonadjustable portion of the payments, is a very approximate figure (usually 0.15) to take account of fixed cost elements or other nonadjustable components.*

and

Im is the index prevailing at the end of the month being invoiced and Io is the index prevailing twenty eight (28) days before Bid opening for inputs payable.

45.2 In case, at any time, the prevailing index is not available, a provisional index shall be determined by the Project Supervisor subject to the subsequent adjustment both to the index and payment made to the Contractor, pursuant to the provision of Sub-Clause 45.3, when the index has been made available.

45.3 If the value of the index is changed after it has been used in a calculation, the calculation shall be corrected and an adjustment made in the next payment certificate. The index value shall be deemed to take account of all changes in cost due to fluctuations in costs.

#### **46. Retention**

46.1 The Employer shall, commenced from the first payment certificate, retain from each payment due to the Contractor the proportion **stated in the PCC** until the full of amount of retention, as stated in the PCC is reached.

46.2 Upon the issue of a Certificate of Completion of the Works by the Project Supervisor, in accordance with GCC 54.1, half the total amount retained shall be repaid to the Contractor and half when the Defects Liability Period has passed and the Project Supervisor has certified that all Defects notified by the Project Supervisor to the Contractor before the end of this period have been corrected. The Contractor may substitute retention money with an “on demand” Bank guarantee.

#### **47. Liquidated Damages**

47.1 The Contractor shall pay liquidated damages to the Employer at the rate per day **stated in the PCC** for each day that the Completion Date is later than the Intended Completion Date. The total amount of liquidated damages shall not exceed the amount **defined in the PCC**. The Employer may deduct liquidated damages from payments due to the Contractor. Payment of liquidated damages shall not affect the Contractor’s liabilities.

47.2 If the Intended Completion Date is extended after liquidated damages have been paid, the Project Supervisor shall correct any overpayment of liquidated damages by the Contractor by adjusting the next payment certificate. The Contractor shall be paid interest on the overpayment, calculated from the date of payment to the date of repayment, at the rates specified in GCC Sub-Clause 41.1.

#### **48. Bonus**

48.1 The Contractor shall be paid a Bonus calculated at the rate



per calendar day **stated in the PCC** for each day (less any days for which the Contractor is paid for acceleration) that the Completion is earlier than the Intended Completion Date. The Project Supervisor shall certify that the Works are complete, although they may not be due to be complete.

#### **49. Advance Payment**

49.1 The Employer shall make advance payment to the Contractor of the amounts **stated in the PCC** by the date **stated in the PCC**, against provision by the Contractor of an Unconditional Bank Guarantee in a form and by a bank acceptable to the Employer in amounts and currencies equal to the advance payment. The Guarantee shall remain effective until the advance payment has been repaid, but the amount of the Guarantee shall be progressively reduced by the amounts repaid by the Contractor. Interest shall not be charged on the advance payment.

49.2 The Contractor is to use the advance payment only to pay for Equipment, Plant, Materials, and mobilization expenses required specifically for execution of the Contract. The Contractor shall demonstrate that advance payment has been used in this way by supplying copies of invoices or other documents to the Project Supervisor.

49.3 The advance payment shall be repaid by deducting proportionate amounts from payments otherwise due to the Contractor, following the schedule of completed percentages of the Works on a payment basis. No account shall be taken of the advance payment or its repayment in assessing valuations of work done, Variations, price adjustments, Compensation Events, Bonuses, or Liquidated Damages.

#### **50. Securities**

50.1 The Performance Security shall be provided to the Employer no later than the date specified in the Letter of Acceptance and shall be issued in an amount, **specified in the PCC**, and in the form of unconditional bank guarantee issued by a commercial bank, authorized to issue the bank guarantee for the purpose and registered in China, acceptable to the Employer, and denominated in the types and proportions of the currencies in which the Contract Price is payable. The Performance Security shall be valid until a date twenty eight (28) days from the date of issue of the Certificate of Completion.

#### **51. Provisional Sums**

51.1 "Provisional Sum" means a sum included in the Contract and so designated in the Bill of Quantities or Activities Schedule for the execution of any part of the Works or for the supply of goods, materials, Plans or services, or for

contingencies, which sum may be used, in whole or in part, or not at all, on the instructions of the Project Supervisor. The Contractor shall be entitled to only such amount in respect of the Works, supply or contingencies to which such Provisional Sums relate as the Project Supervisor shall determine in accordance with this Clause. The Project Supervisor shall notify the Contractor of any determination made under this Sub-Clause, with a copy to the Employer.

51.2 In respect of every Provisional Sum the Project Supervisor shall have authority to issue instructions for the execution of work or for the supply of goods, materials, Plant or services by the Contractor, in which case the Contractor shall be entitled to an amount equals to the value thereof determined in accordance with Sub-Clause 38.3 or Sub-Clause 42.2.

51.3 The Contractor shall prepare and provide to the Project Supervisor all quotations, invoices, vouches and accounts or receipt in connection with expenditure in respect of Provisional Sums, except where work is valued in accordance with rates or prices set out in the Bid.

## **52. DayWorks**

52.1 If applicable, the DayWorks rates in the Contractor's Bid shall be used only when the Project Supervisor has given written instructions in advance for additional work to be paid for in that way.

52.2 All work to be paid for as DayWorks shall be recorded by the Contractor on forms approved by the Project Supervisor. Each completed form shall be verified and signed by the Project Supervisor within two days of the work being done.

52.3 The Contractor shall be paid for DayWorks subject to obtaining signed DayWorks forms.

## **53. Cost of Repairs**

53.1 Loss or damage to the Works or Materials to be incorporated in the Works between the Start Date and the end of the Defects Correction periods shall be remedied by the Contractor at the Contractor's cost if the loss or damage arises from the Contractor's acts or omissions.

## **E. Finishing the Contract**

### **54. Completion**

54.1 The Contractor shall request the Project Supervisor to issue a Certificate of Completion of the Works, and the Project Supervisor shall do so upon deciding that the whole of the Works is completed.

### **55. Taking Over**

55.1 The Employer shall take over the Site and the Works within seven days of the Project Supervisor's issuing a certificate

of Completion.

**56. Final Account**

56.1 The Contractor shall supply the Project Supervisor with a detailed account of the total amount that the Contractor considers payable under the Contract before the end of the Defects Liability Period. The Project Supervisor shall issue a Defects Liability Certificate and certify any final payment that is due to the Contractor within fifty six (56) days of receiving the Contractor's account if it is correct and complete. If it is not, the Project Supervisor shall issue within fifty six (56) days a schedule that states the scope of the corrections or additions that are necessary. If the Final Account is still unsatisfactory after it has been resubmitted, the Project Supervisor shall decide on the amount payable to the Contractor and issue a payment certificate.

**57. Operating and Maintenance Manuals**

57.1 If "as built" Drawings and/or operating and maintenance manuals are required, the Contractor shall supply them by the dates **stated in the PCC**.

57.2 If the Contractor does not supply the Drawings and/or manuals by the dates **stated in the PCC** pursuant to GCC Sub-Clause 57.1, or they do not receive the Project Supervisor's approval, the Project Supervisor shall withhold the amount **stated in the PCC** from payments due to the Contractor.

**58. Termination**

58.1 The Employer or the Contractor may terminate the Contract if the other party causes a fundamental breach of the Contract.

58.2 Fundamental breaches of Contract shall include, but shall not be limited to, the following:

- (a) the Contractor stops work for twenty eight (28) days when no stoppage of work is shown on the current Program and the stoppage has not been authorized by the Project Supervisor;
- (b) the Project Supervisor instructs the Contractor to delay the progress of the Works, and the instruction is not withdrawn within 28 days;
- (c) the Employer or the Contractor is made bankrupt or goes into liquidation other than for a reconstruction or amalgamation;
- (d) a payment certified by the Project Supervisor is not paid by the Employer to the Contractor within 84 days of the date of the Project Supervisor's certificate;
- (e) the Project Supervisor gives Notice that failure to correct a particular Defect is a fundamental breach of

Contract and the Contractor fails to correct it within a reasonable period of time determined by the Project Supervisor;

- (f) the Contractor does not maintain a Security, which is required;
- (g) the Contractor has delayed the completion of the Works by the number of days for which the maximum amount of liquidated damages can be paid, as **defined in the PCC**; or
- (h) if the Contractor, in the judgment of the Employer, has engaged in corrupt or fraudulent practices in competing for or in executing the Contract, pursuant to GCC Clause 59.1.

58.3 When either party to the Contract gives notice of a breach of Contract to the Project Supervisor for a cause other than those listed under GCC Sub-Clause 58.2 above, the Project Supervisor shall decide whether the breach is fundamental or not.

58.4 Notwithstanding the above, the Employer may terminate the Contract for convenience.

58.5 If the Contract is terminated, the Contractor shall stop work immediately, make the Site safe and secure, and leave the Site as soon as reasonably possible.

**59. Corrupt and Fraudulent Practices**

59.1 If the Employer determines that the Contractor has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices, in competing for or in executing the Contract, then the Employer may, after giving 14 days notice to the Contractor, terminate the Contractor's employment under the Contract and expel him from the Site, and the provisions of Clause 58 shall apply as if such expulsion had been made under Sub-Clause 58.5, Termination by Employer.

59.2 Should any employee of the Contractor be determined to have engaged in corrupt, fraudulent, collusive, coercive, or obstructive practice during the execution of the Works, then that employee shall be removed in accordance with Clause 9.

59.3 Fraud and corruption are **defined in the PCC**.

**60. Payment upon Termination**

60.1 If the Contract is terminated because of a fundamental breach of Contract by the Contractor, the Project Supervisor shall issue a certificate for the value of the work done and Materials ordered less advance payments received up to the date of the issue of the certificate and less the percentage to

apply to the value of the work not completed, as **indicated in the PCC**. Additional Liquidated Damages shall not apply. If the total amount due to the Employer exceeds any payment due to the Contractor, the difference shall be a debt payable to the Employer.

60.2 If the Contract is terminated for the Employer's convenience or because of a fundamental breach of Contract by the Employer, the Project Supervisor shall issue a certificate for the value of the work done, Materials ordered, the reasonable cost of removal of Equipment, repatriation of the Contractor's personnel employed solely on the Works, and the Contractor's costs of protecting and securing the Works, and less advance payments received up to the date of the certificate.

**61. Property**

61.1 All Materials on the Site, Plant, Equipment, Temporary Works, and Works shall be deemed to be the property of the Employer if the Contract is terminated because of the Contractor's default.

**62. Release from Performance**

62.1 If the Contract is frustrated by any event entirely outside the control of either the Employer or the Contractor, the Project Supervisor shall certify that the Contract has been frustrated. The Contractor shall make the Site safe and stop work as quickly as possible after receiving this certificate and shall be paid for all work carried out before receiving it and for any work carried out afterwards to which a commitment was made.

**63. Suspension of Bank Loan**

63.1 In the event that the Bank suspends the Loan to the Employer, from which part of the payments to the Contractor are being made:

- a) The Employer is obligated to notify the Contractor of such suspension within seven (7) days of having received the Bank's suspension notice.
- b) If the Contractor has not received sums due it within the Twenty-Eight (28) days for payment provided for in Sub-Clause 41.1, the Contractor may immediately issue a Fourteen (14) day termination notice.

## Section VIII. Particular Conditions of Contract

<b>A. General</b>	
<b>GCC 1.1 (d)</b>	The financing institution is: New Development Bank
<b>GCC 1.1 (r)</b>	The Employer is Shengzhou Water Group Co., Ltd.
<b>GCC 1.1 (w)</b>	The Intended Completion Date for the whole of the Works shall be:  18 months from the construction start date.
<b>GCC 1.1 (aa)</b>	The Project Supervisor is: (to be determined before the confirmation of contract signing)  Name of Supervisor: (to be determined before the confirmation of contract signing)  Address of Supervisor:  Phone No.:  Fax:  Email:
<b>GCC 1.1 (dd)</b>	The Site is located at:  On the southwest of Nanshan Lake Resort Hotel, Changle Town, Shengzhou City. Please see drawings for details.
<b>GCC 1.1 (gg)</b>	The Start Date shall be: 14 days from the date of being given possession of the site. The start date shall be subject to the date on the Commencement Order issued by the Project Supervisor.
<b>GCC 1.1 (kk)</b>	The Works consist of:  The works is to build a water treatment plant on the mountain land on the southwest Nanshan Lake Resort Hotel. The total construction area is 16250 m <sup>2</sup> and the planned water supply scale is 30,000 ton/day. The water treatment plant adopts coagulation, precipitation, filtration and disinfection technology processes. The main construction components include newly-built structures (buildings), auxiliary facilities, civil works for auxiliary roads, water pipes constructions and installation works for related equipment etc. For details, please see the bill of quantities and construction drawings.
<b>Add: GCC 1.1 (II)</b>	“Contract comes into force” means the contract shall come into force since the date of Employer’s issuance of Notification for Effectiveness of Contract..
<b>GCC 2.2</b>	Sectional Completions are: not applicable

<b>GCC 2.3(i)</b>	<p>The following documents also form part of the Contract:</p> <ul style="list-style-type: none"> <li>-List of key personnel for the project</li> <li>-List of key construction equipment for the project</li> <li>-Updated schedule plan or the one approved by the Project Supervisor</li> <li>-Addendum to Bidding documents (if any)</li> </ul>
<b>GCC 5.1</b>	The Project Supervisor may not delegate any of his duties and responsibilities.
<b>GCC 8.1</b>	Schedule of other contractors: not applicable
<b>GCC 9.1</b>	<p>Add at the end of <b>GCC 9.1</b>:</p> <p>In case that the Contractor fails to implement the contract according to the above requirements, the Project Supervisor has rights to order the Contractor to stop the Works with the Employer's prior consents; the Contractor can only continue its Works upon allocating key management personnel as required in the contract. The key management personnel must submit their qualification certificates to local construction administrative department so the key personnel must not participate in other project during the performance of this contract.</p>
<b>GCC 14.1</b>	<p>The other insurance:</p> <p>The insurance coverage against the risks shall be as follows:</p> <p>The maxim deductible excess for insurance coverage on project, equipment and materials is the 10% of the loss amount;</p> <p>The minimum coverage on project, equipment and materials by Contractor's design mistakes is RMB 4,000,000;</p> <p>The maxim deductible excess for insurance coverage on construction equipment and machinery is the 1% of the insurance coverage;</p> <p>The minimum coverage on damage to construction equipment and machinery is equivalent to the replacement costs;</p> <p>The maxim deductible excess for insurance coverage on other property is RMB 5,000 per accident;</p> <p>The minimum coverage on other property is RMB 200,000;</p> <p>The minimum coverage on Contractor's workers' compensation insurance in respect of workers' injuries and loss is RMB 400,000;</p> <p>The minimum coverage on other personnel is RMB 400,000;</p>
<b>GCC 15.1</b>	Site Data are: not applicable
<b>GCC 21.1</b>	The Site Possession Date(s) shall be: fourteen [14] days after signing

	the contract
<b>GCC 24.1 &amp; GCC 24.2</b>	Appointing Authority for the Adjudicator: Shaoxing Arbitration Commission
<b>GCC 25.3</b>	Hourly rate and types of reimbursable expenses to be paid to the Adjudicator: the hourly fee is RMB 200.  Reimbursed fee: business travel
<b>GCC 25.4</b>	Arbitration commission agreed by both parties shall be: Shaoxing Arbitration Commission
<b>B. Time Control</b>	
<b>GCC 26.1</b>	The Contractor shall submit for approval a Program for the Works within 28 days from the date of the Letter of Acceptance.
<b>GCC 26.3</b>	The period between Program updates is 28 days.  The amount to be withheld for late submission of an updated Program is RMB <u>100,000</u> /day.
<b>C. Quality Control</b>	
<b>GCC 34.1</b>	The Defects Liability Period is: 730 days.
<b>D. Cost Control</b>	
<b>GCC 37.1</b>	<p><b>The provisions on changes in the contract price:</b></p> <p>(1) If the change is the increase or decrease of quantities for some Works, the unit price will be calculated according to the unit price priced in Contractor's bid.</p> <p>(2) The new Works caused by design changes, the method to confirm the unit price is:</p> <p>① For items which have similar ones in Priced Bill of Quantities or construction costs, whose unit prices shall be decided based on:</p> <p>A. If case of changes on levels or standards of some materials (or semi-finished products or finished products), the unit combination price for the item shall remain unchanged and only the prices on different materials shall adjust accordingly;</p> <p>B. In case the changes in the Priced Bill of Quantities or Works do not affect the other Works scope or price of the Works, the standards for combinations of other Works scope shall remain unchanged and only the unit price listed in the combination price for the item which changes shall adjust accordingly.</p>



② For items which do not have similar ones in Priced Bill of Quantities or construction costs, whose unit prices shall be decided based on:

A. The unit price shall be calculated in accordance with present regulations and stipulations on Pricing for Bill of Quantities;

B. Fixed quotations shall follow: *Construction Pricing Rules in Zhejiang Province (2018)*, *Construction Fixed Quotations on Buildings and Decoration Engineering in Zhejiang Province (2018)*, *General Fixed Quotations on Installation Engineering in Zhejiang Province (2018)*, *Fixed Quotations for Estimated Costs on Municipal Public Engineering in Zhejiang Province (2018)*, *Fixed Quotations for Estimated Costs on Landscaping and Pseudo-classic Architecture Engineering in Zhejiang Province (2018)*, *Fixed Quotations on Construction Equipment and Machinery in Zhejiang Province (2018)* and other supplementary regulations or rules issued in Zhejiang Province.

C. The price shall be decided based on Zhejiang Provincial Construction Engineering Cost and Price Rules (2018) and related documents. The fees on construction organizational measures (only counting the basic charges of safety and well-behaved construction and increased charges of construction in winter rainy days), enterprise management, and profits fixed quotation shall be confirmed by the mid-value of the elastic range for the quotations; the changes and taxes shall be subject to the standard value of the fixed quotations and the provisional sum shall be decided by the 2% of estimated cost of the project (without taxes).

D. The estimated cost of the project for bidding is prepared base on the construction drawings; the labor fee will be compensated according to market information price by Shaoxing Municipal Construction Engineering Cost Management Information (August 2019); the prices on materials shall be according to Shaoxing Municipal Construction Engineering Cost Management Information (August 2019), Shengzhou Municipal Unit Price (without taxes) and Shaoxing Municipal Unit Price (without taxes), Zhejiang Provincial Cost Information (August 2019) and other market investigation prices (without taxes), in turn. In case there is no information on materials, the prices listed on construction certificates issued by Employer will prevail and there shall be no depreciation on prices of the construction certificates.

E. Depreciation in the same proportion of bidding (i.e. depreciation rate =  $100\% - (\text{bid price} - \text{parts not depreciated}) / (\text{Estimated Cost of the Project} - \text{parts not depreciated})$ ) shall be the method to decide the new unit price.

F. The fees on organizational measures items, other charges and taxes shall be with same rates as the ones in bidding estimated cost.

③ The changed prices that cannot be applicable based on the fixed

	<p>quotations in 2018 will be proposed by the Contractor after verification and confirmation by the Employer.</p>
<p><b>GCC 41.1</b></p>	<ul style="list-style-type: none"> <li>● The interim payments on monthly completed Works after review will be made according to 80% of the verified amount;</li> <li>● After the acceptance of project completion documents, examination by Construction Settlement Auditing Center and approval by financial department, the payment will be made up to 90% of the project completion total value;</li> <li>● 97.5% ; Once the final settlement of the project is examined by Construction Settlement Auditing Center and approved by financial department, the payment will be made up to 97.5% of the project final settlement value.</li> <li>● The rest retention money of 2.5% will be paid to the Contractor in accordance with the article SCC 46.2.</li> </ul>
<p><b>GCC 45.1</b></p>	<p>The contract is a fixed unit price admeasurement contract. However, he contract price is allowed to be adjusted during the performance of the contract due to market price fluctuation:</p> <p>The provisions on the base price:</p> <p>Adjusted range: labor fee and main materials (main materials refer to cement, yellow ground, rocks, commercial concrete, reinforcing steel bars).</p> <p>Adjustment method: for the fluctuation above <math>\pm 5\%</math>, only the part exceeded <math>\pm 5\%</math> will be adjusted in accordance with 80% months of average value for Shengzhou Price of Shaoxing Municipal Unit Price, or Zhejiang Price in comparison with Shengzhou Price of Shaoxing Municipal Construction Engineering Cost Management Information (August 2019); for the fluctuation within <math>\pm 5\%</math> (inclusive of <math>\pm 5\%</math>) will remain unchanged.</p> <p>Adjustment formula:</p> $\Delta C = \pm (   I   - 5\% ) \times C_2$ <p>(price rises during construction period is marked as “+” and price declining will be marked as “-”)</p> <p>Among which: <math>I =   A - C_2   / C_2 \times 100\%</math></p> <p><math>  I   \leq 5\%</math>, the price remain unchanged;</p> <p><math>  I   &gt; 5\%</math>, the price will adjust;</p> <p>I—Price fluctuation rate;</p> <p>A—first 80% of months of construction period, the average value on labor fee and materials of Shengzhou Price of Shaoxing Municipal Construction Engineering Cost Management Information (official) or Zhejiang Cost Information (official);</p>

	<p>△C—price difference of labor fee or materials for adjustment;  C2—labor fee and materials of August 2018 Shengzhou Price of Shaoxing Municipal Construction Engineering Cost Management Information (official) or Zhejiang Cost Information (official).</p>
<b>GCC 46.1</b>	<p>The proportion of payments retained is: 2.5% of Construction Payment</p> <p>Method of retention:</p> <p>Modify as: the payment will be fully retained at one time of project completion.</p>
<b>GCC 46.5</b>	<p>The retention money will be fully paid to the Contractor once the final acceptance is passed and qualify after completion of the defects liability period (without interest).</p>
<b>GCC 47.1</b>	<p>The liquidated damages for the whole of the Works are 0.05% of the final Contract Price per day.</p> <p>The maximum amount of liquidated damages for the whole of the Works is 5% of the final Contract Price.</p>
<b>GCC 48.1</b>	<p>The Bonus for early completion of the Works: not applicable</p>
<b>GCC 49.1</b>	<p>The Advance Payments shall be: 10% of total contract value (deduction of safety and well-behave construction fee and provisional sum)</p> <p>The Advance Payment shall be paid to the Contractor no later than 28 days from the date that fulfills all the following conditions:</p> <ol style="list-style-type: none"> <li>1. The contract has been signed and come into force;</li> <li>2. The issuance of Commencement Order;</li> <li>3. Employer's receipt of the guarantee letter of advance payment with equivalent amount to the advance payment.</li> </ol>
<b>GCC 49.3</b>	<p>The bank guarantee of advance payment security shall be issued by a commercial bank at sub-branch or above level in respective member countries of NDB.</p> <p>The advance payment shall be deducted back in the following method:</p> <p>The advance payment shall be deducted back in two times: the first time is when the completed Works has reached 40% of the total Works, half of the advance payment will be deducted back; the second time is when the completed Works has reached 60% of the total Works, the rest half of the advance payment will be deducted back.</p>
<b>GCC 50.1</b>	<p>The Performance Security amount is 5% of the final Contract Price.</p> <p>If the Bid price of the lowest evaluated Bidder is lower than 15% of the reference price defined below, the Employer may request the Bidder</p>

	<p>to increase the performance security as follows:</p> <ul style="list-style-type: none"> <li>•Performance security of 20% will apply in case the arithmetically corrected price of the lowest evaluated Bidder is in the range lower than -15% up to -25% of the “reference price”;</li> <li>•Performance security of 30% will apply in case the arithmetically corrected price of the lowest evaluated Bidder is lower than -25% of the “reference price”.</li> </ul> <p>The “reference price” shall be the average value of the arithmetically corrected, substantially responsive Bid prices, together with the Employer’s estimated cost of this project (treated as one of Bids). If the average value of the arithmetically corrected, substantially responsive all Bid prices are lower than 15% to the Employer’s estimated cost, the Employer’s estimated cost will not be counted as a Bid price into the reference price. If the Bidder is required to increase its performance security, in case of refusal, the Bidder’s Bid will be rejected, but its Bid security shall not be forfeited.</p> <p>The bank guarantee of performance security shall be issued by a commercial bank at sub-branch or above level in respective member countries of NDB.</p> <p>The performance security will be returned to the Contractor after the Project Supervisor’s issuance of Completion Certificate of Project (without interest).</p>
<b>GCC 53.1</b>	Add: During project defects liability period, in case the Employer finds the defects and the Contractor fails to repair them for no reason, the Employer can repair the defects by themselves, and the repair fee shall be deducted from the retention money.
<b>E. Finishing the Contract</b>	
<b>GCC 57.1</b>	<p>The date by which operating and maintenance manuals are required is the project completion date;</p> <p>The date by which “as built” drawings are required is the project completion date.</p>
<b>GCC 57.2</b>	The amount to be withheld for failing to produce “as built” drawings and/or operating and maintenance manuals by the date required in GCC 57.1 is RMB 100,000.
<b>GCC 58.2 (g)</b>	The maximum number of days is: 100
<b>GCC 60.1</b>	The percentage to apply to the value of the work not completed, representing the Employer’s additional cost for completing the Works, is <u>30%</u> .

# Letter of Acceptance

*[ on letterhead paper of the Employer]*

..... *[date]* .....

To: ..... *[ name and address of the Contractor]* .....

Subject: ..... *[Notification of Award Contract No]* .....

This is to notify you that your Bid dated . . . . *[insert date]* . . . . for execution of the . . . . . *[insert name of the contract and identification number, as given in the Appendix to Bid]* . . . . . for the Accepted Contract Amount of the equivalent of . . . . . *[insert amount in numbers and words and name of currency]*, as corrected and modified in accordance with the Instructions to Bidders is hereby accepted by our Agency.

You are requested to furnish the Performance Security within 28 days in accordance with the Conditions of Contract, using for that purpose the of the Performance Security Form included in Section IX (Contract Forms) of the Bidding Document.

***[Choose one of the following statements:]***

We accept that \_\_\_\_\_ *[insert the name of the Adjudicator proposed by the Bidder]* be appointed as the Adjudicator.

***[or]***

We do not accept that \_\_\_\_\_ *[insert the name of the Adjudicator proposed by the Bidder]* be appointed as the Adjudicator, and by sending a copy of this Letter of Acceptance to \_\_\_\_\_ *[insert name of the Appointing Authority]*, the Appointing Authority, we are hereby requesting such Authority to appoint the Adjudicator in accordance with ITB Sub-Clause 40.1 and GCC Sub-Clause 24.1.

Authorized Signature:

Name and Title of Signatory:

Name of Agency:

Attachment: Contract Agreement

# Contract Agreement

THIS AGREEMENT made the . . . . .day of . . . . ., . . . . ., between . . . . . *[name of the Employer]*. . . . . (hereinafter “the Employer”), of the one part, and . . . . . *[name of the Contractor]*. . . . .(hereinafter “the Contractor”), of the other part:

WHEREAS the Employer desires that the Works known as . . . . . *[name of the Contract]*. . . . .should be executed by the Contractor, and has accepted a Bid by the Contractor for the execution and completion of these Works and the remedying of any defects therein,

The Employer and the Contractor agree as follows:

1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Contract documents referred to.
2. The following documents shall be deemed to form and be read and construed as part of this Agreement. This Agreement shall prevail over all other Contract documents.
  - (a) the Letter of Acceptance
  - (b) the Letter of Bid
  - (c) the Addenda Nos . . . . . *[insert addenda numbers if any]*. . . . .
  - (d) the Particular Conditions
  - (e) the General Conditions
  - (f) the Specification
  - (g) the Drawings
  - (h) the priced Bill of Quantities
  - (i) any other document **listed in the PCC** as forming part of the Contract
3. In consideration of the payments to be made by the Employer to the Contractor as indicated in this Agreement, the Contractor hereby covenants with the Employer to execute the Works and to remedy defects therein in conformity in all respects with the provisions of the Contract.
4. The Employer hereby covenants to pay the Contractor in consideration of the execution and completion of the Works and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.

IN WITNESS whereof the parties hereto have caused this Agreement to be executed in accordance with the laws of . . . . .  
**[name of the borrowing country]**. . . . .on the day, month and year indicated above.

Signed  
by: \_\_\_\_\_  
for and on behalf of the Employer

Signed  
by: \_\_\_\_\_  
for and on behalf the Contractor

in the  
presence  
of: \_\_\_\_\_  
Witness, Name, Signature, Address,  
Date

in the  
presence  
of: \_\_\_\_\_  
Witness, Name, Signature, Address, Date

# Performance Security

*(The bank that issues Performance Security shall present the Bank Guarantee in the Form in accordance with the instructions indicated below and issue such a Bank Guarantee under the official letterhead and with the official reference number of the issuing bank)*

***[Bank's Name, and Address of Issuing Branch or Office]***

**Beneficiary:** ..... ***[Name and Address of Employer]***

**Date:**

**Performance Guarantee No.:**

We have been informed that . . . . . ***[name of the Contractor]*** *(In the case the Contractor is a JV, insert the name of the JV. )* . . . . . (hereinafter called "the Contractor") has entered into Contract No. . . . . . ***[reference number of the Contract]***. . . . . dated . . . . . with you, for the execution of . . . . . ***[name of contract and brief description of Works]***. . . . . (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, a performance guarantee is required.

At the request of the Contractor, we . . . . . ***[name of the Bank]***. . . . . hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of . . . . . ***[name of the currency and amount in figures]***<sup>1</sup>. . . . . (. . . . . ***[amount in words]***. . . . . ) such sum being payable in the types and proportions of currencies in which the Contract Price is payable, upon receipt by us of your first demand in writing accompanied by a written statement stating that the Contractor is in breach of its obligation(s) under the Contract, without your needing to prove or to show grounds for your demand or the sum specified therein.

This guarantee shall expire, no later than the . . . . . Day of . . . . . , . . . . .<sup>2</sup>, and any demand for payment under it shall be received by us at this office on or before that date.

.....  
***[Seal of Bank and Signature(s)]***

**Note –**

*All italicized text is for guidance on how to prepare this demand guarantee and shall be deleted from the final document.*

<sup>1</sup> *The Guarantor shall insert an amount representing the percentage of the Contract Price specified in the Contract and denominated in Chinese Yuan.*

<sup>2</sup> *Insert the date twenty-eight days after the expected completion date. The Employer should note that in the event of an extension of the time for completion of the Contract, the Employer would need to request an extension of this guarantee from the Guarantor. Such request shall be in writing and shall be made prior to the expiration date established in the*



*guarantee. In preparing this guarantee, the Employer might consider adding the following text to the form, at the end of the penultimate paragraph: "The Guarantor agrees to a one-time extension of this guarantee for a period not to exceed [six months][one year], in response to the Employer's written request for such extension, such request to be presented to the Guarantor before the expiry of the guarantee."*

# Advance Payment Security

*[The bank that issues Advance Payment Security for Advance Payment shall present the Bank Guarantee in the Form in accordance with the instructions indicated below and issue such a Bank Guarantee under the official letterhead and with the official reference number of the issuing bank.]*

*[Bank's Name, and Address of Issuing Branch or Office]*

**Beneficiary:** ..... *[Name and Address of Employer]*

**Date:**

**Advance Payment Guarantee No.:**

We have been informed that . . . . . *[name of the Contractor]* ] (In the case the Contractor is a JV, insert the name of the JV. ) . . . . . (hereinafter called "the Contractor") has entered into Contract No. . . . . *[reference number of the Contract]*. . . . . dated . . . . . with you, for the execution of . . . . . *[name of contract and brief description of Works]*. . . . . (hereinafter called "the Contract").

Furthermore, we understand that, according to the Conditions of the Contract, an advance payment in the sum . . . . . *[name of the currency and amount in figures]* <sup>1</sup>. . . . . ( . . . . . *[amount in words]*. . . . . ) is to be made against an advance payment guarantee.

At the request of the Contractor, we . . . . . *[name of the Bank]*. . . . . hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of . . . . . *[name of the currency and amount in figures]\**. . . . . ( . . . . . *[amount in words]*. . . . . ) upon receipt by us of your first demand in writing accompanied by a written statement stating that the Contractor is in breach of its obligation under the Contract because the Contractor used the advance payment for purposes other than the costs of mobilization in respect of the Works.

It is a condition for any claim and payment under this guarantee to be made that the advance payment referred to above shall have been received by the Contractor on its account number . . . . . *[Contractor's account number]*. . . . . at . . . . . *[name and address of the Bank]*. . . . .

The maximum amount of this guarantee shall be progressively reduced by the amount of the advance payment repaid by the Contractor as indicated in copies of interim statements or payment certificates which shall be presented to us. This guarantee shall expire, at the latest, upon our receipt of a copy of the interim payment certificate indicating that eighty (80) percent of the Contract Price has been certified for payment, or on the . . . . . day of . . . . . , . . . . . <sup>2</sup>, whichever is earlier. Consequently, any demand for payment under this guarantee shall be received by us at this office on or before that date.

..... *[Seal of Bank and Signature(s)]*. . . . .

**Note –**

*All italicized text is for guidance on how to prepare this demand guarantee and shall be deleted from the final document.*

*1 The Guarantor shall insert an amount representing the amount of the advance payment denominated either in the currency(ies) of the advance payment as specified in the Contract, or in a freely convertible currency acceptable to the Employer.*

*2 Insert the expected expiration date of the Time for Completion. The Employer should note that in the event of an extension of the time for completion of the Contract, the Employer would need to request an extension of this guarantee from the Guarantor. Such request shall be in writing and shall be made prior to the expiration date established in the guarantee. In preparing this guarantee, the Employer might consider adding the following text to the form, at the end of the penultimate paragraph: “The Guarantor agrees to a one-time extension of this guarantee for a period not to exceed [six months][one year], in response to the Employer’s written request for such extension, such request to be presented to the Guarantor before the expiry of the guarantee.*