

Invitation for Quotation For Limited Shopping (Works)

(Below advertising threshold)

April 2015



Tuvalu

INVITATION FOR QUOTATION

FOR

WORKS

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[To users of this Standard Bidding Document:

Use only for Works estimated to cost less than the upper threshold for Limited Shopping in the Public Procurement Regulations.

Notes in blue italics in square brackets are for the user’s guidance in completing the SBD and should be deleted before invitations are issued.

Notes in black italics in square brackets relate to contract award stage and should not be deleted until award is made.

Notes in black italics in round brackets are for the guidance of bidders and should not be deleted]

SECTION 1: INVITATION FOR QUOTATION

GOVERNMENT OF TUVALU

[Insert name of department and ministry acting as Employer]

INVITATION FOR QUOTATION

IFQ No: LS/_____ *[insert]*

Date: _____ *[insert]*

The Government of Tuvalu wishes to enter into a contract for the construction of *[briefly describe the Works]*, funded by its own resources. The *[insert name of department and ministry]*, hereinafter called the Employer, now invites quotations from eligible contractors. Your company is one of *[insert number not less than 3]* that is invited to quote.

Please read **Section 2: Instructions to Bidders** carefully and complete **Sections 3 to 6** with your signature where required.

The format of the Letter of Award of Contract and the Conditions of Contract are shown in **Section 7**.

The contract completion date will be ___ calendar days/months *[delete as applicable]* after a contract is signed. *[Insert number of months if duration is 3 months or above, or number of calendar days if less than 3 months]*

The defects liability period will be ___ calendar days *[insert number – 180 days is normal for small works]* after the Employer issues a Completion Certificate.

Your responsive quotation should be e-mailed, faxed or delivered in a sealed envelope headed "QUOTATION FOR IFQ No: *[insert number]* to reach the address below not later than *[insert date]*:

[name of Employer]

Offices of the Government of Tuvalu

Vaiaku

Funafuti

Tuvalu

e-mail address: *[insert e-mail address of Procurement Officer]*

facsimile number: *[insert, including country/area codes]*

SECTION 2: INSTRUCTIONS TO BIDDERS

1. Eligibility

1.1 This quotation is open to all Works contractors except those under notice of debarment by the Government of Tuvalu. Materials for incorporation into the works may be sourced from any state or country except those with whom the Government of Tuvalu has officially prohibited commercial relations.

2. Responsive Quotation

2.1 A responsive quotation is one that contains Sections 3 to 6 inclusive fully completed and signed where indicated. A non-responsive quotation shall be rejected.

3. Language, Currency and Pricing of Quotation

3.1 Quotations shall be made in English and all prices shall be quoted in Australian dollars (AUD).

3.2 Prices shall be inclusive of all shipping costs for materials, taxes and duties, **treatment of certain goods for the prevention of the introduction or spread of diseases or pests (see GCC clause 2.5)**, insurance of the Works until handover, and any other incidental costs.

3.3 Rates and prices shall be quoted for all items in the Bill of Quantities. Items where no rate has been quoted will not be paid by the Employer and shall be deemed to be covered by the other rates and prices.

3.4 The contract shall be fixed price at the rates and prices submitted in the quotation.

4. Technical Specification and Drawings

4.1 The technical specification and drawings of the required Works are provided in Section 3. The appointed contractor shall not deviate in any respect from the specification and drawings without the prior approval of Employer.

5. Work Plan

5.1 The bidder shall submit a Work Plan with its quotation showing a proposed time bound program of construction of all principal elements of the Works. The Employer shall nominate a Contract Manager to inspect and approve each completed element of the Works before the Contractor commences the next sequential element.

6. Contract Award Criteria

6.1 The Employer shall award the contract to the bidder that has submitted the lowest evaluated substantially responsive quotation, provided further that the Bidder is determined to be qualified to perform the Contract satisfactorily.

The format of the Letter of Award, which will form the basis of the Contract, may be found at Section 6.

7. Employer's Rights

7.1 The Employer reserves the right to accept or reject any quotation, and to annul the procurement process at any time prior to issue of the Letter of Award, without incurring any liability to any bidder.

8. Fraud and Corruption

8.1 The Government of Tuvalu has a policy of zero tolerance of fraud and corruption and shall reject a proposal for award of a contract, or cancel a contract already awarded, if it determines that the bidder or contractor concerned, or any of its personnel, agents, sub-consultants, subcontractors, non-consulting service providers, and suppliers has directly or indirectly engaged in fraud and corruption in securing a contract or implementing the contract. The bidder or contractor concerned shall be liable to debarment from all future Government contracts for a period stated in the Procurement Suspension and Debarment Procedure issued by the Central Procurement Unit.

8.2 All bidders are required to sign the Declaration on Ethical Conduct at Section 5 and attach it to their Quotation. The Declaration will form part of the Contract awarded to the successful bidder.

9. Validity of Quotation

9.1 Quotations shall remain valid for acceptance for 30 calendar days after the closing date for submission to the Employer.

SECTION 3: TECHNICAL SPECIFICATION AND DRAWINGS

[The Technical Specification should be written and inserted here.]

[There will be standard clauses on materials that can be reused in many different contracts but also clauses specific to the type of works to be constructed under the contract.]

[The Technical Specification shall include a clause stating that all materials to be incorporated in the permanent Works will be new and unused.]

[After the detailed Technical Specification, the procuring entity shall insert into the "REQUIRED" column below a summary description of each part of the Works, leaving the "STATEMENT" column blank for bidders to complete.]

List of Drawings of the Works

[Insert here a list of drawings of the Works. The drawings themselves, including site plans, should either be attached to this section if A4 size, or annexed in a separate folder if larger.]

SECTION 4: BILL OF QUANTITIES

[Best practice would require a detailed BOQ to include each item of work by the contractor, for example – cubic metres of excavation, cubic meters of concrete, square metres of timber formwork, tonnes of steel reinforcement, etc. For small contracts, however, an alternative approach is to request bidders to quote a series of mini lump sums for discrete sections of the Works, or even one overall lump sum, either of which would require detailed drawings to show bidders precisely what is required.]

No.	Item of Works	Unit	Quantity	Rate (AUD)	Amount (AUD) (Quantity × Rate)
1					
2					
3					
4					
5					
6					
7					
8					
	Total Amount (AUD)				

SECTION 5: DECLARATION ON ETHICAL CONDUCT

The undersigned, as the authorised representative of the Bidder, confirms that in the preparation of our quotation:

1. We, our employees, associates, agents, shareholders, partners and consultants, or their relatives or associates:
 - (a) have no relationship that could be regarded as a conflict of interest as defined in the Public Procurement Regulations of Tuvalu; should we become aware of the potential for a conflict of interest, we will advise the Employer immediately;
 - (b) have not entered into any fraudulent or corrupt practices during the preparation of this bid.
2. No unauthorised payments in cash or in kind in connection with this procurement proceeding have been made or will be made by us, our employees, associates, agents, shareholders, partners and consultants, or by their relatives or associates, to any employees, associates, agents, partners or consultants of the Employer, or to their relatives and associates.
3. We understand that if we are found to be in breach of this Declaration, we shall be debarred from entering into any contracts with the Government of Tuvalu for a period stated in the Procurement Suspension and Debarment Procedure issued by the Central Procurement Unit.

Authorised signature: _____

Name and job title: _____

Name and address of Bidder: _____

Telephone No: _____

Fax No: _____

E-mail address: _____

Affix company seal:

SECTION 6: FORM OF QUOTATION

(Print on Bidding Company's Letter Heading)

To: *(insert name of Employer – see Section 1)*
Offices of the Government of Tuvalu
Vaiaku
Funafuti
Tuvalu

Dear Sir,

Invitation for Quotation under IFQ No: *(insert number – see Section 1)*

We are pleased to offer this quotation for the above referenced IFQ for the sum of AUD ____ *(insert amount in numbers)* (Australian Dollars *(insert amount in words)*).

We attach herewith Sections 2, 3, 4 and 5 of the Invitation for Quotation duly completed and signed.

We also submit a time bound Work Plan which we propose to adopt for construction of the elements of the Works.

We have read the proposed Conditions of Contract and confirm that, if our Quotation is accepted, we will enter into a Contract on those Conditions. We further confirm that:

1. Our quotation remains valid for acceptance until *(Bidder to insert date, which should be the Quotation closing date plus 30 calendar days)*.
2. We will complete the Works within *(Bidder to insert number of calendar days or months – see Section 1)* of signing a contract.
3. We will provide a defects liability period of ____ *(Bidder to insert number of years or months)* from the date of completion.

We understand that you are not bound to accept all or any quotations that you receive.

Yours faithfully,

(Signature of Bidder)

(Print name and job title)

Dated this ____ day of _____, 20__ *(Insert day, month and year)*

SECTION 7: LETTER OF AWARD

[Reproduce on letter heading of ministry or agency acting as Employer]

To: *[Name and address of winning bidder]*

Date: _____

Dear Sir,

Subject: *[insert name and number of contract]*

We are pleased to inform you that your Quotation dated ___ *[insert date]* submitted in response to our IFQ *[insert number]* has been accepted in the sum of *[insert currency and amount in numbers and words]*.

You are now invited to enter into a Contract which comprises:

1. This Letter of Award;
2. Sections 2, 3, 4, 5 and 6 of your Quotation completed and signed where required;
3. The Work Plan approved by us; and
4. The Conditions of Contract at Section 8.

The start date of the Contract shall be ___ *[insert date, normally 14 calendar days after the signing of this letter]* and completion of all the Works shall be not more than ___ *[insert number of days quoted by the contractor on the Form of Quotation]* calendar days after the start date.

The defects liability period shall be ___ calendar days after the Completion Certificate is issued

Please arrange for your authorised representative to countersign three (3) copies of this letter in the space indicated below, and initial every page of the attachments. Kindly return two copies to this address and retain the third copy for your use.

Signed, stamped and delivered by:

FOR THE EMPLOYER

FOR THE CONTRACTOR

[signature]

[signature]

[Print name and position]

[Print name and position]

[Date of signing]

[Date of signing]

[Note to employer: this letter should be issued in triplicate complete with the attachments listed in bullet points 2 and 3 above]

SECTION 8: CONDITIONS OF CONTRACT

1. General Provisions
 - 1.1 Documentation for this Contract comprises:
 - Form of Quotation
 - Conditions of Contract
 - Technical Specification and Drawings
 - Bills of Quantities
 - Approved Work Plan
 - Declaration on Ethical Conduct
 - 1.2 The Contract shall be amended only by written agreement between the Employer and the Supplier.
 - 1.3 This Contract shall be subject to the laws of Tuvalu. Every effort shall be made to resolve disputes amicably without referral to third parties. Any dispute that cannot be resolved amicably shall be referred to the arbitration under procedures described in the Arbitration Act, 2008 Revised Edition.
2. Employer's and Contractor's Obligations
 - 2.1 On the start date, the Employer shall indicate to the Contractor the exact location where the works are to be constructed.
 - 2.2 The Employer shall pay the Contractor the Contract price of _____ [*Insert amount in words and figures*] for completion of the Works described on the drawings and listed in the Bills of Quantities.
 - 2.3 The Contractor shall complete construction of the Works on or before the contract completion date. The Works shall conform to the drawings and standards in the Technical Specification and the Contractor shall be responsible for insuring the Works against all risks during the construction period.
 - 2.4 The Contractor guarantees that all materials used in the permanent works will be new and unused. Throughout the Contract and warranty period, the Contractor agrees to make good, at its own expense, any defect that is due to the quality of materials or workmanship.
 - 2.5 **The Quarantine Act (2008 Revised Edition) and the Plants Act (2008 Revised Edition) and their supporting**

Regulations, require that certain goods are treated for the prevention of the introduction or spread of diseases or pests. The Purchaser shall apply for an Import Permit for such goods, which will specify the treatment required, usually fumigation. The Import Permit will be given to the Supplier, who shall be responsible for ensuring that treatment is carried out in accordance with the conditions stated on the Import Permit, including the provision of a Fumigation Certificate by the fumigator and an Inspection Certificate by the quarantine authorities at the port where fumigation is carried out. Upon arrival at the Port of Funafuti, Tuvalu, the Fumigation Certificate and Inspection Certificate shall be presented to the authorities with the shipping documents. All costs incurred in complying with this Clause are deemed to be included in the Supplier's prices.

3. Conditions for Execution of the Works
- 3.1 The Contractor shall not sub-contract any part of the Works without the written consent of the Employer. If the Employer approves sub-contracting, such consent shall not relieve the Contractor of its obligations under the Contract.
- 3.2 The Contractor shall commence implementation of the Contract on the start date specified in the Letter of Award and shall complete the whole of the Works in not more than the number of calendar days stated in the Letter of Award. If implementation of the Contract is delayed due to any circumstances which could not reasonably have been foreseen, the Contractor shall inform the Employer immediately of the circumstances. If the Employer considers that an extension of time for the Contract is justified, the Contractor must submit and agree an amended Work Plan with the Employer.
- 3.3 If the Contractor has not started to implement the Works 15 calendar days after the start date, the Employer shall have the right to cancel the contract. If at any time, implementation of any part of the Works is delayed by more than 100 calendar days beyond the dates shown in the Work Plan, the Employer has the right to cancel the contract. In either circumstance, if the delay is attributable to a breach of Contract by the Contractor, the Employer will debar the Contractor from bidding or accepting all publicly funded contracts for a period that it shall determine.
- 3.4 The Employer has the right to reduce the payment to the Contractor by 0.1% of the Contract price for each day of delay beyond the contracted completion date. The reduction is up to a maximum of 10%, after which

the Employer has the right to terminate the contract.

- 3.5 If Force Majeure makes completion of the contract impossible, the Contractor may ask the Employer to be released from the Contract. The Contractor may request the Employer payment for that part of the Works that is complete and intact at the time the request for release is made.
- 3.6 The Contractor shall appoint a Site Manager who shall be present on site at all times that work is in progress. The Site Manager shall keep a Works Notebook to record daily progress of the work.
- 3.7 The Employer shall appoint a Contract Manager as its representative and notify the Contractor of this person's name. The Contract Manager shall be allowed by the Contractor to inspect the work at any time and shall have the right to instruct the contractor to provide samples of materials for quality testing, and create inspection holes in completed sections of the Works to permit inspection. The Contractor shall cooperate with the Contract Manager by providing the Contractor's staff and equipment as necessary to carry out inspections of the work.
- 3.8 The Contract Manager may issue instructions to the Contractor to ensure compliance with the Drawings and the Specification, and may agree minor changes to the Drawings and Technical Specification, provided that these do not change substantially the final quantity and quality of the Works. The Contract Manager may not instruct the Contractor to change the quantity of work shown in the Drawings, or to make any change that will substantially change the quality of the finished Works, without the written agreement of the Employer.
- 3.9 The Contractor's Work Plan shall show discrete elements of work that, on completion, must be inspected and approved by the Contract Manager before the Contractor proceeds to the next element. If the Contractor proceeds to the next element of the Works without the Contract Manager's approval of elements completed to date, the Contract Manager may instruct the Contractor to demolish and reconstruct the affected parts.
- 3.10 The Work Plan shall be amended by the Contractor to show changes of program or method of working made at the Contractor's own discretion. The Contractor shall update the Work Plan within seven (7) days of being instructed to do so by the Contract Manager.

- 3.11 The Contractor shall carry out all construction activities in a safe manner and with minimum disturbance of the environment and to residents of the immediate area. The Contractor must seek the Employer's prior approval of its plans for disposing of surplus excavated material, wastewater and waste materials.
- 3.12 On completion of the Works, the Contractor shall remove all plant, surplus materials and waste materials from the site and restore the site to a clean and tidy condition.
4. Payment Provisions
- 4.1 *[Insert the payment schedule for this contract]*. The Contractor shall submit written Requests for Payment to the Employer. The Contract Manager shall verify that the quantity of work completed, the quality of the materials used and the quality of the Contractor's workmanship, are in accordance with the Contract, including the drawings and any instructions given to the Contractor. The Contract Manager shall then either:
- (a) Issue a Progress Report (or Completion Report) within one week of receiving the Contractor's written request for payment, certifying that the conditions for release of the payment have been met, or;
 - (b) Issue a Progress Report detailing further work that must be done to meet the conditions for release of the payment.
- 4.2 The Employer shall retain ten (10) per cent of the first payment due to the Contractor. Half of this amount shall be repaid to the Contractor when a Completion Certificate showing no defects at that time is issued by the Contract Manager. The other half shall be repaid upon expiry of the defects liability period provided that the Contract Manager certifies that all defects notified to the Contractor during this period have been rectified. If on completion of the whole of Works, the Contractor provides an "on demand" bank guarantee in favour of the Employer for the amount retained, valid for 30 calendar days beyond the expiry of the Guarantee Period, the Employer shall repay the retained monies in full.
- 4.3 The Employer shall make payments within 30 days of receipt of the Contractor's invoices provided that the conditions for payment in Clause 4.1 have been met. *[For contract periods of 3 months or less, the 30 days should be reduced to 15 days.]*

- 4.5 The Employer shall pay interest to the Contractor on any payment that is due and is delayed more than one (1) calendar month beyond the period stipulated in Clause 4.3. The rate of interest shall be 1% per complete calendar month of delay.
 - 4.6 If taxes, duties, and other levies payable by the Contractor are changed between seven (7) days before the submission of quotations and quotation opening, the Employer shall adjust the Contract price accordingly, provided such changes are not already reflected in the quotation price and can be substantiated with supporting documents.
 - 4.7 If the Contract is terminated due to default by the Contractor, the Employer has the right to take over the Works and complete them by any other method. No payment will be made to the Contractor until the Works have been completed. Payment to the Contractor will be limited to the difference between the Contract price and the cost to the Employer of completing the part of the work that was not implemented by the Contractor.
4. Special Conditions
- 4.1 *[The Employer may add clauses here that are specific to each particular contract.]*