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	GENERAL TERMS AND CONDITIONS OF PURCHASE	

GENERAL TERMS AND CONDITIONS OF PURCHASE

1. DEFINITIONS :

1.1. "PURCHASER"

The "Purchaser" means LANKA IOC PLC with its office at Level 20, West Tower, World Trade Centre, Echelon Square, Colombo - 01, Sri Lanka

1.2. "TENDERER"

Tenderer means the person, firm or company who submits an offer for the enquiry.

1.3. "EQUIPMENT / GOODS / MATERIALS"

"Equipments /Goods/ Materials shall mean any of the articles, materials, instruments, machinery, equipment, supplies, drawings, data and other property and all services including but not to design, delivery, installations, inspection, testing and commissioning specified or required as per the Purchase Order.

1.4. "INSPECTORS"

Inspectors deputed by Purchasers.

1.5. "VENDOR"

Vendor shall mean the person, firm or Corporation on whom the Purchase Order is issued.

2.0 BID BOND : USD 750/-

3.0 SECURITY DEPOSIT

3.1 The successful tenderer shall within 14 days from the date of purchase order have to make payment against Security Deposit.

3.2 SECURITY DEPOSIT TO BE SUBMITTED TO HEAD OFFICE OF LANKA IOC IN IN COLOMBO.

3.3 The Security Deposit amount shall be equivalent to 5% of the value of the Order by way of Demand draft in USD OR bank guarantee in favour of Lanka IOC PLC to be executed from any reputed Bank. The Security deposit to be valid for a period of covering contractual delivery period from the date of acceptance of the order plus 3 months.

4.0 SPECIFICATION :

Specifications for mechanical flow meters and accessories is enclosed in the tender document.

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5.0 **PRICE:**

5.1 Tenderer should quote their lowest and firm price. The price for supply to be quoted on CIF Colombo basis. The price shall include inland freight, Export packing (sea worthy), document charges etc. Prices so quoted will remain firm till order is placed and there after until satisfactory completion of order. The price will not be subjected to escalation for any reason whatsoever.

5.2 The clearance and port handling charges at Colombo port shall be to LIOC account. Further, transportation of equipment from Colombo to Trincomalee including loading and unloading shall be to LIOC account.

5.3 COMMISSIONING ASSISTANCE: Not applicable.

5.4 Tenderers may note that all monetary references with respect to this tender shall be AS BELOW:

- Tenderers participating from within Sri Lanka: LANKAN RUPEES (LKR).
- Tenderers participating from outside Sri Lanka: US DOLLARS (USD)

Tenderers to note that for the purpose of comparison of rates quoted in LKR by Sri Lankan & USD by Foreign Vendors, the exchange rate would be the mean of TT buying rate and TT selling rate published by the Central Bank of Sri Lanka for USD on the date of tender opening (Technical Bid) worked out to 4 decimal points (without rounding off).

6.0 **INSURANCE :**

6.1 The materials will be dispatched to Colombo duly insured by the vendor.

7.0 **PACKING AND MARKING :**

7.1 All materials shall be suitably packed in Sea Worthy packing for transportation by Sea. The packing shall be strong and efficient enough to ensure safe perseverance upto the final point of destination and also to cover shelf life.

8.0 **INSPECTION, CHECKING & TESTING :**

8.1 The materials shall be subject to inspection and testing by the Vendor before dispatch.

8.2 The materials shall be subject to inspection & approval by approved Third Party inspection agency that will carry out the inspection as per QAP to be submitted by the Vendor & approved by LIOC. The inspection charges shall be paid by the Vendor. The rates to be quoted for the equipment / material is inclusive of inspection charges. The above inspection will be without prejudice to accepted Guarantee / Warranty.

**9.0 DELIVERY SCHEDULE :**

The delivery of the material is to be completed within (CDD) (given in Special terms & conditions) from the date of the Purchase Order (PO). The Contractual Delivery Date (CDD) will be clearly indicated in the PO and after which compensation for delay will become applicable.

11.0 DISPATCH ADDRESS :

Detailed address of the receiving locations are given in Special terms & conditions.

12.0 RESPECT FOR DELIVERY DATES

12.1 Time of delivery mentioned in the tender shall be the essence of the agreement in the event of placement of order and no variation shall be permitted except with prior authorisation in writing from the Owner. Goods should be delivered, securely packed and in good order and condition, at the place and within the time specified in the purchase order for their delivery.

12.2 The contractual delivery period is inclusive of all the lead time for Engineering / Procurement of raw materials, the manufacturing, inspection / testing, packing or any other activity whatsoever required to be accomplished for effecting the delivery at the required delivery point.

13. PRICE REDUCTION FOR DELAY

13.1 Price Reduction for Delay will become applicable for the deliveries made beyond the scheduled delivery period. Vendor will have to pay to LIOC by way of price reduction for Delay and not as penalty, an amount equal to ½% of the contracted price of the material so delayed for each week OR part there of such delay in delivery subject to a maximum of 10 % of such price. For the purpose of calculating price reduction, date of Bill of Lading shall be taken as date of supply.

14. EXPEDITING :

14.1 The Owner/Owner's representative shall have free access to vendor's shop and/or sub-suppliers' shop at any time and they shall be provided all the necessary assistance and information to help them perform their job (If assigned to expedite both manufacture and dispatch of materials).

15. VALIDITY :

15.1 The rates quoted against this tender shall be valid for a period of 2 months from the date of opening of the tender and once the quotation is accepted and order placed on the successful tenderer, the rates shall be valid for the entire contract period.

16. IMPORT LICENSE :

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16.1 LIOC will not provide import license/foreign exchange for the import of any materials. It will be the responsibility of the vendor to arrange for the same whenever and wherever required.

17. DISCUSSIONS / NEGOTIATIONS:

17.1 The Purchaser reserves the right to negotiate with the tenderers. In the event of negotiations, the tenderer will be required to confirm the negotiations in writing within the time stipulated. If the tenderer fails to comply with this requirement, the purchaser reserves the right to ignore his quotation at its discretion.

17.2 Vendor will have to attend Head Office of the Corporation at Mumbai, India for Verification of Original Documents/Clarifications/ Negotiations in respect of their quotations without any commitment on the part of LIOC.

18.0 QUANTITY

18.1 Purchaser reserves the right to increase/ decrease the quantities indicated in the tender and accept any tender in whole or in part and reject any or all tenders without assigning any reason. Purchaser is not bound to accept the lowest rate for any tender and reserves the right to accept one or more tenders in part or full. The decision of Purchaser in this connection will be final.

19. CONFIRMATION OF ORDER

19.1 In the event of placement of order ,the vendor shall acknowledge the receipt of the Purchase Order within 14 (fourteen) days from the date of Purchase Order and shall confirm his acceptance of Purchase Order in its entirety without exceptions. This acknowledgement will be on both Purchase Order and General Purchase Conditions. Vendor shall also submit along with order acceptance, the Security Deposit as specified as per Clause No.4.

20.0 SALES CONDITIONS

20.1 With tenderer acceptance of provisions of Tender Conditions, the tenderer waives and considers as cancelled any of his General Sales Conditions.


21.0 PAYMENT:

Payment shall be as per the relevant clauses contained in Special Terms and Conditions of Tender.

22.0 DOCUMENTS ALONG WITH DISPATCH OF EQUIPMENT:

Following document shall be sent along with the supply of equipment in triplicate

- a. Bill Of Lading
- b. Copy of Commercial Invoice
- c. Packing List
- d. Copy of Certificate of Origin
- e. Test Certificate of materials/ equipment

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- f. Third Party Inspection Certificate
- g. Insurance for Ocean freight

The above documents shall also be scanned and sent by mail to the following email: dnbadari@lankaio.com for clearance of the goods at Colombo Port.

22.0 RECOVERY OF SUMS DUE

- 22.1 Wherever any claim against the vendor for payment of a sum of money arises out of or under the contract, Owner shall be entitled to recover such sums from any sum then due or which at any time thereafter may become due this sum be not sufficient to cover the recoverable amount the vendor shall pay to the Owner on demand the balance remaining due.

23.0 GUARANTEE

- 23.1 All materials including components and sub-contracted Items should be guaranteed by the vendor within the warranty period mentioned below. In the event of any defect in material or workmanship manifesting themselves, the vendor will replace / repair the material at LIOC's location at Trincomalee at Vendors cost.


24.0 WARRANTY

- 24.1 12 months from the date of dispatch of the materials, during which time the tenderer is bound by the guarantee given above.
- 24.2 The above guarantee / warranty will be without prejudice to the certificate of inspection issued by the Third Party Inspecting Agency in respect of the materials/ equipment.

25.0 FORCE MAJEURE CONDITIONS :

Delivery of the material is subject to force majeure conditions as under:

- 25.1 If, at any time, during the continuance of the contract, the performance in whole or part by either party of any obligation under this contract shall be prevented or delayed by reasons of any war, hostility, acts of public enemy, civil commotion, sabotage, fires, floods, explosions, epidemics, quarantine restrictions, strike, lock-outs or acts of God (hereinafter referred as "events"), then provided notice of the happening of any such events is given by either party to the other within twenty one days from the date of occurrence thereof, neither party shall by reason of such event, be entitled to terminate this contract nor shall either party have any claim for damages against the other in respect of such non-performance or delay in performance and deliveries under the contract shall be resumed as soon as practicable, after such events have come to an end or ceased to exist, and decision of the Managing Director, Lanka IOC PLC as to whether the deliveries have been so resumed or not, shall be final and conclusive provided further that if the performance in whole or part or any obligation under this contract is prevented or delayed by reasons of such event for period exceeding 60 days, either party may at its option terminate the agreement.

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26.0 ARBITRATION:

26.1 In case of any dispute or difference arising out of contract, the matter shall be referred to the sole arbitration of an officer of Lanka IOC nominated by Managing, Director, Lanka IOC PLC whose decision will be final and binding on both the parties. The venue of such arbitration shall be in Colombo.

27.0 POWERS:

27.1 All powers reserved under the above conditions shall be exercised by the Managing Director Lanka IOC PLC.

28.0 GENERAL

28.1 The Tender is not transferable .

28.2 All entries in the tender must be written in permanent ink or typewritten and there should be no erasures or over writing. Corrections, if any, should be attested under the full signature of the tenderer.

28.3 All rates given in the tender must be expressed both in words and figures and where there is a difference between the two, the rates given in words will be taken as correct. The tenderer has to quote individual item rates essentially in both figures & words, otherwise offer will be rejected.

28.4 Any Tender received late or not conforming to the terms and conditions prescribed in the tender documents will be rejected.

28.5 When person signing the Tender / Agreement is not the sole proprietor or authorized representative of the Company the original power of Attorney or a notarized certified copy thereof authorizing such person to act and sign on behalf of the company must be produced before signing the documents.

28.6 It shall be understood that every endeavor has been made to avoid error which can materially affect the basis of tender and the successful tenderer shall take upon himself and provide for risk of any error which may subsequently be discovered and shall make no subsequent claim on account thereof. No advantage is to be taken either by LIOC or the tenderer of any clerical error or mistake which may occur in the general specification, schedules, plans or Tender Forms supplied to the tenderer.

28.7 Any terms and conditions attached / printed overleaf of the vendors offers will not be binding on IOC. Tenders with counter conditions will be rejected.

29.0 NON-WAIVER

SIGNATURE OF TENDERER
SEAL



29.1 Failure of the Owner / Owner's representative to insist upon any of the terms and conditions incorporated in the Purchase Order or failure or delay to exercise any rights remedies herein or by law or failure to properly notify vendor in the event of breach, or the acceptance of, or payment of any goods hereunder or approval of design shall not release the vendor and shall not be deemed a waiver of any right of the Owner or Owner's representative to insist upon the strict performance thereof or of any of his or their rights or remedies as to any such goods regardless of when goods are shipped, received or accepted or shall any purported oral modification or revision of the order by Owner's representative act as waiver of the terms thereof.

30.0 **NON ASSIGNMENT :**

31.1 In the event of placement of Purchase Order the same shall not be assigned to any other agency by the vendor without obtaining prior written consent of Owner.

32.0 **COMPLETE AGREEMENT :**

32.1 In the event of placement of order the terms and conditions of Purchase Order constitute entire agreement between the parties hereto. Changes will be binding only if the amendments are made in writing and signed by an authorised representative of the Owner and the Vendor.

33.0 **CANCELLATION :**

33.1 We reserve the right to cancel the contract forthwith upon or any time after the happening of any of the following events viz.

- a) If the Tenderer shall commit a breach of any of the terms and conditions of Tender and fail to remedy such breach within fifteen days of the receipt of the written notice from us in regard thereto.
- b) On the death or adjudication as insolvent of the tenderer if he be an individual.
- c) Liquidation whether voluntarily or otherwise on the passing of an effective resolution for winding up the Tenderer if it be a company.
- d) If the attachment is levied or continued to be levied for a period of seven days upon the effects of the Tenderer or of any individual or partners of the tenderer firm.

If the Tenderer does not adhere to the instructions which may be issued from time to time by us in connection with the manufacture of the material our right to so terminate the contract shall be without prejudice to any of our other rights & remedies against the tenderer and in the event of our so terminating the contract, we shall not be liable to pay for any loss or compensation in respect of such termination.



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34.0 DECLARATION :

34.1 We Confirm that our quotation have been prepared after thorough study of the entire Tender documents and agree to all conditions of the tender in toto.

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