



LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

MINISTRY OF AGRICULTURE AND FORESTRY
DEPARTMENT OF AGRICULTURE

CONTRACT

SUPPLY OF IT EQUIPMENT FOR SUB-COMPONENT 3.1

CONTRACT No.014-SEARECC-GDS-012

BETWEEN

DEPARTMENT OF AGRICULTURE (DOA)

AND

BP IT SOLE Co.,LTD

HONGKAIKEO VILLAGE, CHANTHABOULY DISTRICT, VIENTIANE CAPITAL, LAO PDR.
Tel: +85620 58787988; 28977777 E-MAIL: bp.it.center@gmail.com

DATED: 26 DECEMBER 2023



ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ
ສັນຕິພາບ ເອກະລາດ ປະຊາທິປະໄຕ ເອກະພາບ ວັດທະນະຖາວອນ

ສັນຍາການຈັດຊື້ປະກອນໄອທີ

ສັນຍາເລກທີ: 014-SEARECC-GDS-012

ສັນຍາສະບັບນີ້ໄດ້ເຮັດຂຶ້ນໃນວັນອັງຄານ, ວັນທີ 26 ທັນວາ 2023

ລະຫວ່າງ

- (1) ກົມປູກຝັງ, ກະຊວງກະສິກໍາ ແລະ ປ່າໄມ້ ຂອງລັດຖະບານ ສປປ ລາວ, ທີ່ມີສໍານັກງານຕັ້ງຢູ່ ຖະໜົນລ້ານຊ້າງ, ນະຄອນຫລວງວຽງຈັນ, ສປປ ລາວ (ດັ່ງຕໍ່ໄປນີ້ເອີ້ນວ່າ “ຜູ້ຈັດຊື້-ຈັດຈ້າງ”), ຝ່າຍໜຶ່ງ, ແລະ
- (2) ບໍລິສັດ ບີພີ ໄອທີ ຈໍາກັດຜູ້ດຽວ, ບໍລິສັດທີ່ສ້າງຕັ້ງຂຶ້ນພາຍໃຕ້ກົດໝາຍຂອງ ສປປ ລາວ ແລະ ມີສໍານັກງານຕັ້ງຢູ່ ບ້ານຮ່ອງໄກ່ແກ້ວ, ເມືອງຈັນທະບູລີ, ນະຄອນຫລວງວຽງຈັນ, ສປປ ລາວ, ເບີໂທລະສັບ : +85620 58787988; 28977777, ອີເມວ : bp.it.center@gmail.com (ດັ່ງຕໍ່ໄປນີ້ເອີ້ນວ່າ “ຜູ້ສະໜອງສິນຄ້າ”), ອີກຝ່າຍໜຶ່ງ :

ໂດຍອີງຕາມຜູ້ຈັດຊື້-ຈັດຈ້າງ ໄດ້ເຊັນປະມູນເພື່ອສະໜອງສິນຄ້າ ແລະ ການບໍລິການຈໍານວນໜຶ່ງ, ສໍາລັບການສະໜອງເຄື່ອງໄອທີໃຫ້ອົງປະກອບຍ່ອຍ ປະຈໍາກົມປູກຝັງ, ກະຊວງກະສິກໍາ ແລະ ປ່າໄມ້, ພາຍໃຕ້ໂຄງການ ຜັດທະນາຕາມແລວເສດຖະກິດອາຊີຕາເວັນອອກສຽງໃຕ້ເພື່ອການເຊື່ອມຈອດ-ເຊື່ອມໂຍງ (SEARECC) ແລະ ໄດ້ຮັບເອົາການປະມູນຂອງຜູ້ສະໜອງສິນຄ້າ ເພື່ອສະໜອງສິນຄ້າ ແລະ ການບໍລິການເຫລົ່ານັ້ນ, ໃນມູນຄ່າລວມ ທັງຫມົດ 179,348.35 ໂດລາສະຫະລັດ (ໜຶ່ງແສນເຈັດສິບເກົ້າຝັນ ສາມຮ້ອຍສີ່ສິບແປດ ໂດລາສະຫະລັດ ແລະ ສາມສິບຫ້າເຊັນ) (ຕໍ່ໄປນີ້ເອີ້ນວ່າ: ມູນຄ່າສັນຍາ).

ຜູ້ຈັດຊື້-ຈັດຈ້າງ ແລະ ຜູ້ສະໜອງສິນຄ້າຕົກລົງດັ່ງຕໍ່ໄປນີ້:

ມາດຕາ1. ຄໍາສັບຕ່າງໆຢູ່ໃນສັນຍາສະບັບນີ້ ຈະຕ້ອງມີຄວາມໝາຍອັນດຽວກັນກັບ ບັນດາຄໍາສັບທີ່ໄດ້ກຳນົດໄວ້ໃນເອກະສານສັນຍາ.

ມາດຕາ2. ເອກະສານຕໍ່ໄປນີ້ຈະຕ້ອງຖືວ່າເປັນສ່ວນປະກອບຂອງສັນຍາ. ສັນຍາສະບັບນີ້ມີອໍານາດເໜືອກວ່າເອກະສານສັນຍາ ອື່ນໆ.

- (ກ) ຈົດໝາຍແຈ້ງການຮັບຮອງເອົາຜູ້ຊະນະການປະມູນ
- (ຂ) ຝອມຍື່ນປະມູນ
- (ຄ) ເອກະສານເພີ່ມຈໍານວນ (ຖ້າຫາກມີ)

- (ງ) ເງື່ອນໄຂສະເພາະຂອງສັນຍາ (SCC)
- (ຈ) ເງື່ອນໄຂທົ່ວໄປຂອງສັນຍາ
- (ສ) ຂໍ້ກຳນົດທາງດ້ານເຕັກນິກທົ່ວໄປ (ພ້ອມດ້ວຍລາຍການຄວາມຕ້ອງການ ແລະ ຂໍ້ກຳນົດທາງດ້ານເຕັກນິກ)
- (ຊ) ລາຍການສິນຄ້າ (ລວມດ້ວຍລາຍການລາຄາ)
- (ຍ) ເອກະສານອື່ນໆທີ່ລະບຸຢູ່ໃນ GCC ຊຶ່ງຖືວ່າເປັນສ່ວນໜຶ່ງຂອງສັນຍາ,

ມາດຕາ3. ຜູ້ຈັດຊື້-ຈັດຈ້າງ ເຫັນດີພິຈາລະນາຈ່າຍເງິນໃຫ້ຜູ້ສະໜອງສິນຄ້າຕາມທີ່ໄດ້ກຳນົດໄວ້ໃນສັນຍາສະບັບນີ້, ຜູ້ສະໜອງສິນຄ້າ ຕ້ອງຕົກລົງ ເຫັນດີກັບຜູ້ຈັດຊື້-ຈັດຈ້າງ ໃນການຈັດຫາສິນຄ້າ ແລະ ການບໍລິການ ແລະ ແກ້ໄຂສິ່ງທີ່ບົກຜ່ອງທີ່ມີໃຫ້ຖືກ ຕ້ອງທຸກຢ່າງຕາມຂໍ້ກຳນົດທັງໝົດຂອງສັນຍາ.

ມາດຕາ4. ພ້ອມກັນນັ້ນ, ຜູ້ຈັດຊື້-ຈັດຈ້າງ ຕົກລົງຊຳລະເງິນໃຫ້ຜູ້ສະໜອງສິນຄ້າ ຕາມການພິຈາລະນາການຢັ້ງຢືນການສະໜອງສິນຄ້າ ແລະ ການບໍລິການ ແລະ ແກ້ໄຂສິ່ງທີ່ບົກຜ່ອງຕາມມູນຄ່າຂອງສັນຍາ ຫລື ຈຳນວນເງິນອື່ນໆທີ່ອາດຈະຕ້ອງໄດ້ຊຳ ລະພາຍໃຕ້ຂໍ້ກຳນົດຂອງສັນຍາຕາມເວລາ ແລະ ວິທີການທີ່ໄດ້ລະບຸໄວ້ຢູ່ໃນສັນຍາ.

ສະນັ້ນ, ເພື່ອໃຊ້ເປັນຫລັກຖານໃຫ້ແກ່ສອງຝ່າຍ, ຈຶ່ງໄດ້ຕົກລົງປະຕິບັດສັນຍາສະບັບນີ້ໃຫ້ສອດຄ່ອງກັບກົດໝາຍຂອງ ສປປ ລາວ ຕາມ ວັນທີ, ເດືອນ ແລະ ປີ ທີ່ກຳນົດໄວ້.

ຜູ້ຈັດຊື້-ຈັດຈ້າງ	ຜູ້ສະໜອງສິນຄ້າ
ຫົວໜ້າກົມປຸກຝັງ ກະຊວງກະສິກຳ ແລະ ປ່າໄມ້	ບໍລິສັດ ປິພິ ໄອທິ ຈຳກັດຜູ້ດຽວ



LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

MINISTRY OF AGRICULTURE AND FORESTRY
DEPARTMENT OF AGRICULTURE

Contract Agreement
Project No. P176088; IDA Credit No. 7102-LA
Contract No.014-SEARECC-GDS-012

THIS AGREEMENT made on the **26** day of **December, 2023**.

BETWEEN

- (1) Department of Agriculture (Southeast Asia Regional Economic Corridor and Connectivity Project), a Ministry of Agriculture and Forestry of the Lao PDR, and having its principal place of business at Vientiane Capital, Lao PDR. (hereinafter called "the Procuring Entity"), of the one part, and
- (2) BR IT SOLE CO.,LTD, a corporation incorporated under the laws of Lao PDR and having its principal place of business at Hongkaikeo Village, Chanthabouly District, Vientiane Capital, Lao PDR. Tel: +85620 58787988; 28977777, Email: bp.it.center@gmail.com (hereinafter called "the Supplier"), of the other part:

WHEREAS the Procuring Entity invited bids for certain Goods and ancillary services, namely Supply of IT Equipment for Sub-Component 3.1 and has accepted a Bid by the Supplier for the supply of those Goods and Services in total amount of **US\$ 179,348.35 (One hundred seventy-nine thousand three hundred forty-eight US Dollars and thirty-five Cents)** (hereinafter called "the Contract Price").

The Procuring Entity and the Supplier agree as follows:

Article1. In this Agreement words and expressions shall have the same meanings as are respectively assigned to them in the Contract documents referred to.

Article2. 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._____ (if any)
- (d) Special Conditions of Contract
- (e) General Conditions of Contract
- (f) the Specification (including Schedule of Requirements and Technical Specifications)
- (g) the completed Schedules (including Price Schedules)
- (h) any other document listed in GCC as forming part of the Contract

Article3. In consideration of the payments to be made by the Procuring Entity to the Supplier as specified in this Agreement, the Supplier hereby covenants with the Procuring Entity to provide the Goods and Services and to remedy defects therein in conformity in all respects with the provisions of the Contract.

Article4. The Procuring Entity hereby covenants to pay the Supplier in consideration of the provision of the Goods and Services 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 Lao PDR on the day, month and year indicated above.

For and on behalf of the Procuring Entity

For and on behalf of the Supplier

Director General
Department of Agriculture
Ministry of Agriculture and Forestry

BR IT SOLE CO.,LTD

THE LETTER OF ACCEPTANCE

THE LETTER OF BID

THE ADDENDA

SPECIAL CONDITIONS OF CONTRACT

The following Special Conditions of Contract (SCC) shall supplement and / or amend the General Conditions of Contract (GCC). Whenever there is a conflict, the provisions herein shall prevail over those in the GCC.

GCC 1.1 (a)	The Bank is “ the World Bank ”.
GCC 1.1(j)	The Procuring Entity is: Department of Agriculture, Ministry of Agriculture and Forestry
GCC 1.1 (o)	<p>The Project Sites/Final Destinations are:</p> <ol style="list-style-type: none"> 1. Department of Agriculture, Ministry of Agriculture and Forestry, Vientiane; 2. Department of Livestock and Fisheries, Ministry of Agriculture and Forestry, Vientiane; 3. Department of Agricultural Extension and Cooperatives, Ministry of Agriculture and Forestry, Vientiane; 4. Agri-Tech Laboratory (ATC), Ministry of Agriculture and Forestry, Vientiane; 5. Food and Drug Department, Ministry of Health, Vientiane.
GCC 4.2 (a)	The meaning of the trade terms shall be as prescribed by Incoterms.
GCC 4.2 (b)	The version edition of Incoterms shall be Incoterms 2020
GCC 8.1	<p>For notices, the Procuring Entity’s address shall be:</p> <p>Attention:</p> <p style="padding-left: 40px;">Ms. Vanh Dilaphan Director General of Department of Planning and Finance (DPF-MPWT) Lane Xang Avenue, Saysettha District, Vientiane Capital, Lao PDR. Telephone and Facsimile No. : + 856 - 21 – 416568 E - mail : proc.dpf.mpwt@gmail.com with Cc to: k_litta@yahoo.com and dilaphanhnana@yahoo.com ; vanthieng_06@yahoo.com ; viengphet1@gmail.com</p>
GCC 10.2	<p>The rules of procedure for arbitration proceedings pursuant to GCC Clause 10.2 shall be as follows:</p> <p>(a) The dispute shall be referred to adjudication or arbitration in accordance with the laws of Lao PDR. {Law on Resolution of Economic Disputes No. 02/NA (19 May 2005)}</p>
GCC 13.1	<p>Details of Shipping and other Documents to be furnished by the Supplier are:</p> <ol style="list-style-type: none"> 1) original and two copies of the Supplier’s invoice, showing the Contract number, Goods description, quantity, unit price, and total amount. Invoices must be signed in original stamped or sealed with the Company stamp/seal; 2) original and two copies of packing list showing serial number of Goods; 3) original and two copies of insurance certificate, or original and two copies of delivery note signed by an authorized representative of the Purchaser evidencing safe delivery of all the Goods at the place of destination; 4) original and three copies Manufacturer’s or Supplier’s warranty certificate showing serial number of Goods; and 5) original and two copies of Certificate of Origin for supplied Goods.

	The above documents shall be received by the Procuring Entity before arrival of the Goods and, if not received, the Supplier will be responsible for any consequential expenses.
GCC 15.1	The prices charged for the Goods supplied and the related Services performed “shall not” be adjustable.
GCC 16.1	<p>Sample provision</p> <p>Payment for Goods and Services shall be made in Lao Kips, as follows:</p> <p>(i) Advance Payment: Ten (10) percent of the Contract Price shall be paid within thirty (30) days of signing of the Contract against a simple receipt and a bank guarantee for the equivalent amount and in the form provided in the bidding documents or another form acceptable to the Procuring Entity.</p> <p>(ii) On Delivery: Eighty (80) percent of the Contract Price shall be paid on receipt of the Goods and upon submission of the documents specified in GCC Clause 13.</p> <p>(iii) On Acceptance: The remaining ten (10) percent of the Contract Price shall be paid to the Supplier within thirty (30) days after the date of the Final Acceptance Certificate for the respective delivery issued by the Procuring Entity.</p>
GCC 16.4	<p>The following text shall be added:</p> <p>Currency of Contract shall be US Dollars. However, Payments under the Contract shall be made in Lao KIP at the Bank of Laos’ exchange rate of USD/LAK selling rate on the date of payment.</p>
GCC 16.5	<p>The payment-delay period after which the Procuring Entity shall pay interest to the supplier shall be ninety (90) days.</p> <p>The interest rate that shall be applied is 0.5% over SIBOR (Singapore Interbank Offered Rates).</p>
GCC 18.1	<p>A Performance Security shall be required.</p> <p>Performance Security shall be: 10% of contract price.</p>
GCC 18.3	The Performance Security shall be in the form of: a Demand Guarantee , as per Form 5 provided in the Section X.
GCC 18.4	Discharge of the Performance Security shall take place: not more than twenty-eight (28) days after the issuance of Final Acceptance Certificate .

GCC 23.2	<p>The packing, marking and documentation within and outside the packages shall be:</p> <p>All shipping boxes/packages shall be marked in a clear, legible and indelible manner in English and Lao languages as follows:</p> <ul style="list-style-type: none"> (i) Parties, name and number of the Contract; (ii) The country of origin of equipment; (iii) The ID of the respective item and its name; (iv) The number of the box; (v) The quantity of the items in the box; (vi) Gross and net weights in kilograms; <p>Inscription "Contract No. xxx/SEARECC/GDS-012".</p>
GCC 24.1	The insurance coverage shall be as specified in the Incoterms.
GCC 25.1	Responsibility for transportation of the Goods shall be as specified in the Incoterms.
GCC 25.2	Incidental services to be provided are: Installation of equipment and Related Services provided to a group of persons assigned by MPWT, in accordance with the Schedule of Related Services.
GCC 26.1	<p>The inspections and tests shall be as per Schedule of Related Services. The following inspections and tests shall be performed:</p> <p>Provisional Acceptance of the supplied goods shall be performed with participation of Purchaser's representatives at the place of destination – MAF, Vientiane, Lao PDR. This will be done to ensure the conformity of Goods with the quality (model of equipment supplied), integrity and quantity requirements of the contract.</p> <p>The Final Acceptance Certificate shall be issued only after all Related Services have been completed by the Supplier at each respective place of destination, as per Tables 2 - List of Related Services and Completion Schedule at the delivery points and destination places as per Tables 2.1. The Final Acceptance Certificate will serve as precondition for processing the final payment due to the Supplier.</p> <p>The Final Acceptance Certificate shall be issued within maximum 5 calendar days after completion of the Related Services.</p>
GCC 26.2	The Inspections and tests shall be conducted at: MPWT and Project Site assigned by MPWT.
GCC 26.2	The liquidated damage shall be: 1.0 % per week
GCC 27.1	The maximum amount of liquidated damages shall be: 10 %
GCC 28.3	<p>The period of validity of the Warranty shall be 2 years counted starting the date of Final Acceptance Certificate. Warranty Services shall be provided through the following After-sales Service:</p> <p>Name: Address: Contact Person: Tel: E-mail:</p>
GCC 28.5	The period for repair or replacement shall be: 30 days .

GENERAL CONDITIONS OF CONTRACT

1. Definitions

- 1.1 The following words and expressions shall have the meanings hereby assigned to them:
- (a) "Bank" means the World Bank and refers to the International Bank for Reconstruction and Development (IBRD) or the International Development Association (IDA), or Asian Development Bank (ADB), as specified in the SCC.
 - (b) "Contract" means the Contract Agreement entered into between the Procuring Entity and the Supplier, together with the Contract Documents referred to therein, including all attachments, appendices, and all documents incorporated by reference therein.
 - (c) "Contract Documents" means the documents listed in the Contract Agreement, including any amendments thereto.
 - (d) "Contract Price" means the price payable to the Supplier as specified in the Contract Agreement, subject to such additions and adjustments thereto or deductions there from, as may be made pursuant to the Contract.
 - (e) "Day" means calendar day.
 - (f) "Completion" means the fulfillment of the Related Services by the Supplier in accordance with the terms and conditions set forth in the Contract.
 - (g) "GCC" means the General Conditions of Contract.
 - (h) "Goods" means all of the commodities, raw material, machinery and equipment, and/or other materials that the Supplier is required to supply to the Procuring Entity under the Contract.
 - (i) "Procuring Entity" means the entity purchasing the Goods and Related Services, as specified in the **SCC**.
 - (j) "Related Services" means the services incidental to the supply of the goods, such as insurance, installation, training and initial maintenance and other such obligations of the Supplier under the Contract.
 - (k) "SCC" means the Special Conditions of Contract.
 - (l) "Subcontractor" means any person, private or government entity, or a combination of the above, to whom any part of the Goods to be supplied or execution of any part of the Related Services is subcontracted by the Supplier.
 - (m) "Supplier" means the person, private or government entity, or a combination of the above, whose bid to perform the Contract has been accepted by the Procuring Entity and is named as such in the Contract Agreement.
 - (n) "The Project Site," where applicable, means the place named in the **SCC**.

- 2. Contract Documents**
- 2.1 Subject to the order of precedence set forth in the Contract Agreement, all documents forming the Contract (and all parts thereof) are intended to be correlative, complementary, and mutually explanatory. The Contract Agreement shall be read as a whole.
- 3. Corrupt and Fraudulent Practices**
- 3.1 [In the case of Bank financing] The Bank requires compliance with its policy in regard to corrupt and fraudulent practices as set forth in Appendix to the GCC.
- 3.2 The Procuring Entity requires the Supplier to disclose any commissions or fees that may have been paid or are to be paid to agents or any other party with respect to the bidding process or execution of the Contract. The information disclosed must include at least the name and address of the agent or other party, the amount and currency, and the purpose of the commission, gratuity or fee.
- 4. Interpretation**
- 4.1 If the context so requires it, singular means plural and vice versa.
- 4.2 Incoterms
- (a) Unless inconsistent with any provision of the Contract, the meaning of any trade term and the rights and obligations of parties hereunder shall be as prescribed by Incoterms.
- (b) The terms EXW, DDP and other similar terms, when used, shall be governed by the rules prescribed in the current edition of Incoterms specified in the **SCC** and published by the International Chamber of Commerce in Paris, France.
- 4.3 Entire Agreement
- The Contract constitutes the entire agreement between the Procuring Entity and the Supplier and supersedes all communications, negotiations and agreements (whether written or oral) of the parties with respect thereto made prior to the date of Contract.
- 4.4 Amendment
- No amendment or other variation of the Contract shall be valid unless it is in writing, is dated, expressly refers to the Contract, and is signed by a duly authorized representative of each party thereto.
- 4.5 Non-waiver
- (a) Subject to GCC Sub-Clause 4.5(b) below, no relaxation, forbearance, delay, or indulgence by either party in enforcing any of the terms and conditions of the Contract or the granting of time by either party to the other shall prejudice, affect, or restrict the rights of that party under the Contract, neither shall any waiver by either party of any breach of Contract operate as waiver of any subsequent or continuing breach of Contract.
- (b) Any waiver of a party's rights, powers, or remedies under the Contract must be in writing, dated, and signed by an authorized representative of the party granting such waiver, and must specify the right and the extent to which it is being waived.
- 4.6 Severability
- If any provision or condition of the Contract is prohibited or rendered invalid or unenforceable, such prohibition, invalidity or unenforceability shall not

affect the validity or enforceability of any other provisions and conditions of the Contract.

- 5. Language**
- 5.1 The Contract as well as all correspondence and documents relating to the Contract exchanged by the Supplier and the Procuring Entity, shall be written in the Laotian Language. Supporting documents and printed literature that are part of the Contract may be in another language provided they are accompanied by an accurate translation of the relevant passages in the Laotian Language, in which case, for purposes of interpretation of the Contract, this translation shall govern.
- 5.2 The Supplier shall bear all costs of translation to the governing language and all risks of the accuracy of such translation, for documents provided by the Supplier.
- 6. Joint Venture, Consortium or Association**
- 6.1 If the Supplier is a joint venture, consortium, or association, all of the parties shall be jointly and severally liable to the Procuring Entity for the fulfillment of the provisions of the Contract and shall designate one party to act as a leader with authority to bind the joint venture, consortium, or association. The composition or the constitution of the joint venture, consortium, or association shall not be altered without the prior consent of the Procuring Entity.
- 7. Eligibility**
- 7.1 [For Bank financing] The Supplier and its Subcontractors shall have the nationality of an eligible country. A Supplier or Subcontractor shall be deemed to have the nationality of a country if it is a citizen or constituted, incorporated, or registered, and operates in conformity with the provisions of the laws of that country.
- 7.2 All Goods and Related Services to be supplied under the Contract and financed by the Bank shall have their origin in Eligible Countries. For the purpose of this Clause, origin means the country where the goods have been grown, mined, cultivated, produced, manufactured, or processed; or through manufacture, processing, or assembly, another commercially recognized article results that differs substantially in its basic characteristics from its components.
- 8. Notices**
- 8.1 Any notice given by one party to the other pursuant to the Contract shall be in writing to the address specified in the **SCC**. The term "in writing" means communicated in written form with proof of receipt.
- 8.2 A notice shall be effective when delivered or on the notice's effective date, whichever is later.
- 9. Governing Law**
- 9.1 The Contract shall be governed by and interpreted in accordance with the laws of the Lao PDR.
- 9.2 Throughout the execution of the Contract, the Contractor shall comply with the import of goods and services prohibitions in the Lao PDR when
- (a) as a matter of law or official regulations, the Lao PDR prohibits commercial relations with that country; or
- (b) 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, the Lao PDR prohibits any import of goods from that country or any payments to any country, person, or entity in that country.

- 10 Settlement of Disputes**
- 10.1 The Procuring Entity and the Supplier shall make every effort to resolve amicably by direct informal negotiation any disagreement or dispute arising between them under or in connection with the Contract.
- 10.2 If, after fourteen (14) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Procuring Entity or the Supplier may give notice to the other party of its intention to commence arbitration, as hereinafter provided, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given. Any dispute or difference in respect of which a notice of intention to commence arbitration has been given in accordance with this Clause shall be finally settled by arbitration. Arbitration may be commenced prior to or after delivery of the Goods under the Contract. Arbitration proceedings shall be conducted in accordance with the rules of procedure **specified in the SCC.**
- 10.3 Notwithstanding any reference to arbitration herein,
- (a) the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree; and
- (b) the Procuring Entity shall pay the Supplier any monies due the Supplier.
- 11. Inspections and Audit by the Government or the Bank**
- 11.1 The Supplier shall keep and shall make all reasonable efforts to cause its Subcontractors to keep, accurate and systematic accounts and records in respect of the Goods in such form and details as will clearly identify relevant time changes and costs.
- 11.2 The Supplier shall permit, and shall cause its Subcontractors to permit, the Lao Government or the Bank and/or persons appointed by the Lao Government or Bank to inspect the Supplier's offices and all accounts and records relating to the performance of the Contract and the submission of the bid, and to have such accounts and records audited by auditors appointed by the Lao Government or Bank if requested by the Lao Government or the Bank. The Supplier's and its Subcontractors and consultants' attention is drawn to Clause 3 [Fraud and Corruption], which provides, inter alia, that acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for under this Sub-Clause 11.1 constitute a obstructive practice subject to contract termination (as well as to a determination of ineligibility pursuant to the Bank's prevailing sanctions procedures).
- 12. Scope of Supply**
- 12.1 The Goods and Related Services to be supplied shall be as specified in the Schedule of Requirements.
- 13. Delivery and Documents**
- 13.1 Subject to GCC Sub-Clause 33.1, the Delivery of the Goods and Completion of the Related Services shall be in accordance with the Delivery and Completion Schedule specified in the Schedule of Requirements. The details of shipping and other documents to be furnished by the Supplier are specified in the **SCC.**
- 14. Supplier's Responsibilities**
- 14.1 The Supplier shall supply all the Goods and Related Services included in the Scope of Supply in accordance with GCC Clause 12, and the Delivery and Completion Schedule, as per GCC Clause 13.
- 15 Contract Price**
- 15.1 Prices charged by the Supplier for the Goods supplied and the Related Services performed under the Contract shall not vary from the prices

quoted by the Supplier in its bid, with the exception of any price adjustments authorized in the **SCC**.

- 16. Terms of Payment**
- 16.1 The Contract Price, including any Advance Payments, if applicable, shall be paid as specified in the **SCC**.
- 16.2 The Supplier's request for payment shall be made to the Procuring Entity in writing, accompanied by invoices describing, as appropriate, the Goods delivered, and Related Services performed, and by the documents submitted pursuant to GCC Clause 13 and upon fulfillment of all other obligations stipulated in the Contract.
- 16.3 Payments shall be made promptly by the Procuring Entity, but in no case later than sixty (60) days after submission of an invoice or request for payment by the Supplier, and after the Procuring Entity has accepted it.
- 16.4 The currency in which payments shall be made to the Supplier under this Contract shall be Lao KIP.
- 16.5 In the event that the Procuring Entity fails to pay the Supplier any payment by its due date or within the period set forth in the **SCC**, the Procuring Entity shall pay to the Supplier interest on the amount of such delayed payment at the rate shown in the **SCC**, for the period of delay until payment has been made in full, whether before or after judgment or arbitrage award.
- 17. Taxes and Duties**
- 17.1 The Supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed, as well as all taxes, duties, license fees, etc., incurred until delivery of the contracted Goods to the Procuring Entity.
- 17.2 If any tax exemptions, reductions, allowances or privileges may be available to the Supplier in the Lao PDR, the Procuring Entity shall use its best efforts to enable the Supplier to benefit from any such tax savings to the maximum allowable extent.
- 18. Performance Security**
- 18.1 If required as specified in the SCC, the Supplier shall, within twenty-eight (28) days of the notification of contract award, provide a performance security for the performance of the Contract in the amount specified in the **SCC**.
- 18.2 The proceeds of the Performance Security shall be payable to the Procuring Entity as compensation for any loss resulting from the Supplier's failure to complete its obligations under the Contract.
- 18.3 As specified in the SCC, the Performance Security, if required, shall be denominated in the Lao KIP, or in a freely convertible currency acceptable to the Procuring Entity; and shall be in one of the format stipulated by the Procuring Entity in the **SCC**, or in another format acceptable to the Procuring Entity.
- 18.4 The Performance Security shall be discharged by the Procuring Entity and returned to the Supplier not later than twenty-eight (28) days following the date of Completion of the Supplier's performance obligations under the Contract, including any warranty obligations, unless specified otherwise in the **SCC**.
- 19. Copyright**
- 19.1 The copyright in all drawings, documents, and other materials containing data and information furnished to the Procuring Entity by the Supplier

herein shall remain vested in the Supplier, or, if they are furnished to the Procuring Entity directly or through the Supplier by any third party, including suppliers of materials, the copyright in such materials shall remain vested in such third party

20. Confidential Information

- 20.1 The Procuring Entity and the Supplier shall keep confidential and shall not, without the written consent of the other party hereto, divulge to any third party any documents, data, or other information furnished directly or indirectly by the other party hereto in connection with the Contract, whether such information has been furnished prior to, during or following completion or termination of the Contract. Notwithstanding the above, the Supplier may furnish to its Subcontractor such documents, data, and other information it receives from the Procuring Entity to the extent required for the Subcontractor to perform its work under the Contract, in which event the Supplier shall obtain from such Subcontractor an undertaking of confidentiality similar to that imposed on the Supplier under GCC Clause 20.
- 20.2 The Procuring Entity shall not use such documents, data, and other information received from the Supplier for any purposes unrelated to the contract. Similarly, the Supplier shall not use such documents, data, and other information received from the Procuring Entity for any purpose other than the performance of the Contract.
- 20.3 The obligation of a party under GCC Sub-Clauses 20.1 and 20.2 above, however, shall not apply to information that:
- (a) the Procuring Entity or Supplier need to share with the Bank or other institutions participating in the financing of the Contract;
 - (b) now or hereafter enters the public domain through no fault of that party;
 - (c) can be proven to have been possessed by that party at the time of disclosure and which was not previously obtained, directly or indirectly, from the other party; or
 - (d) otherwise lawfully becomes available to that party from a third party that has no obligation of confidentiality.
- 20.4 The above provisions of GCC Clause 20 shall not in any way modify any undertaking of confidentiality given by either of the parties hereto prior to the date of the Contract in respect of the Supply or any part thereof.
- 20.5 The provisions of GCC Clause 20 shall survive completion or termination, for whatever reason, of the Contract.

21. Subcontracting

- 21.1 The Supplier shall notify the Procuring Entity in writing of all subcontracts awarded under the Contract if not already specified in the bid. Such notification, in the original bid or later shall not relieve the Supplier from any of its obligations, duties, responsibilities, or liability under the Contract.
- 21.2 Subcontracts shall comply with the provisions of GCC Clauses 3 and 7.

22. Specifications and Standards

- 22.1 Technical Specifications and Drawings
- (a) The Goods and Related Services supplied under this Contract shall conform to the technical specifications and standards mentioned in Section VII, Schedule of Requirements and, when no applicable standard

is mentioned, the standard shall be equivalent or superior to the official standards whose application is appropriate to the Goods' country of origin.

(b) The Supplier shall be entitled to disclaim responsibility for any design, data, drawing, specification or other document, or any modification thereof provided or designed by or on behalf of the Procuring Entity, by giving a notice of such disclaimer to the Procuring Entity.

(c) Wherever references are made in the Contract to codes and standards in accordance with which it shall be executed, the edition or the revised version of such codes and standards shall be those specified in the Schedule of Requirements. During Contract execution, any changes in any such codes and standards shall be applied only after approval by the Procuring Entity and shall be treated in accordance with GCC Clause 33.

23. Packing and Documents

23.1 The Supplier shall provide such packing of the Goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the Contract. During transit, the packing shall be sufficient to withstand, without limitation, rough handling and exposure to extreme temperatures, salt and precipitation, and open storage. Packing case size and weights shall take into consideration, where appropriate, the remoteness of the goods' final destination and the absence of heavy handling facilities at all points in transit.

23.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the Contract, including additional requirements, if any, specified in the **SCC**, and in any other instructions ordered by the Procuring Entity.

24. Insurance

24.1 Unless otherwise specified in the **SCC**, the Goods supplied under the Contract shall be fully insured—in a freely convertible currency and from an eligible country in the case of Bank financing—against loss or damage incidental to manufacture or acquisition, transportation, storage, and delivery, in accordance with the applicable Incoterms or in the manner specified in the **SCC**.

25. Transportation and Incidental Services

25.1 Unless otherwise specified in the **SCC**, responsibility for arranging transportation of the Goods shall be in accordance with the specified Incoterms.

25.2 The Supplier may be required to provide any or all of the following services, including additional services, if any, **specified in SCC**:

- (a) performance or supervision of on-site assembly and/or start-up of the supplied Goods;
- (b) furnishing of tools required for assembly and/or maintenance of the supplied Goods;
- (c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied Goods;
- (d) performance or supervision or maintenance and/or repair of the supplied Goods, for a period of time agreed by the parties, provided that this service shall not relieve the Supplier of any warranty obligations under this Contract; and

- (e) training of the Procuring Entity's personnel, at the Supplier's plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied Goods.

25.3 Prices charged by the Supplier for incidental services, if not included in the Contract Price for the Goods, shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the Supplier for similar services

26. Inspections and Tests

26.1 The Supplier shall at its own expense and at no cost to the Procuring Entity carry out all such tests and/or inspections of the Goods and Related Services as are specified in the **SCC**.

26.2 The inspections and tests may be conducted on the premises of the Supplier or its Subcontractor, at point of delivery, and/or at the Goods' final destination, or in another place in the Lao PDR as specified in the **SCC**. Subject to GCC Sub-Clause 26.3, if conducted on the premises of the Supplier or its Subcontractor, all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to the Procuring Entity.

26.3 The Procuring Entity or its designated representative shall be entitled to attend the tests and/or inspections referred to in GCC Sub-Clause 26.2, provided that the Procuring Entity bear all of its own costs and expenses incurred in connection with such attendance including, but not limited to, all traveling and board and lodging expenses.

26.4 Whenever the Supplier is ready to carry out any such test and inspection, it shall give a reasonable advance notice, including the place and time, to the Procuring Entity. The Supplier shall obtain from any relevant third party or manufacturer any necessary permission or consent to enable the Procuring Entity or its designated representative to attend the test and/or inspection.

26.5 The Procuring Entity may require the Supplier to carry out any test and/or inspection not required by the Contract but deemed necessary to verify that the characteristics and performance of the Goods comply with the technical specifications codes and standards under the Contract, provided that the Supplier's reasonable costs and expenses incurred in the carrying out of such test and/or inspection shall be added to the Contract Price. Further, if such test and/or inspection impedes the progress of manufacturing and/or the Supplier's performance of its other obligations under the Contract, due allowance will be made in respect of the Delivery Dates and Completion Dates and the other obligations so affected.

26.6 The Supplier shall provide the Procuring Entity with a report of the results of any such test and/or inspection.

26.7 The Procuring Entity may reject any Goods or any part thereof that fail to pass any test and/or inspection or do not conform to the specifications. The Supplier shall either rectify or replace such rejected Goods or parts thereof or make alterations necessary to meet the specifications at no cost to the Procuring Entity, and shall repeat the test and/or inspection, at no cost to the Procuring Entity, upon giving a notice pursuant to GCC Sub-Clause 26.4.

26.8 The Supplier agrees that neither the execution of a test and/or inspection of the Goods or any part thereof, nor the attendance by the Procuring Entity

or its representative, nor the issue of any report pursuant to GCC Sub-Clause 26.6, shall release the Supplier from any warranties or other obligations under the Contract.

27. Liquidated Damages

27.1 Except as provided under GCC Clause 32, if the Supplier fails to deliver any or all of the Goods by the Date(s) of delivery or perform the Related Services within the period specified in the Contract, the Procuring Entity may without prejudice to all its other remedies under the Contract, deduct from the Contract Price, as liquidated damages, a sum equivalent to the percentage specified in the **SCC** of the delivered price of the delayed Goods or unperformed Services for each week or part thereof of delay until actual delivery or performance, up to a maximum deduction of the percentage specified in those **SCC**. Once the maximum is reached, the Procuring Entity may terminate the Contract pursuant to GCC Clause 35.

28. Warranty

28.1 The Supplier warrants that all the Goods are new, unused, and of the most recent or current models, and that they incorporate all recent improvements in design and materials, unless provided otherwise in the Contract.

28.2 Subject to GCC Sub-Clause 22.1(b), the Supplier further warrants that the Goods shall be free from defects arising from any act or omission of the Supplier or arising from design, materials, and workmanship, under normal use in the conditions prevailing in the country of final destination.

28.3 Unless otherwise specified in the **SCC**, the warranty shall remain valid for twelve (12) months after the Goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the **SCC**, or for eighteen (18) months after the date of shipment from the port or place of loading in the country of origin, whichever period concludes earlier.

28.4 The Procuring Entity shall give notice to the Supplier stating the nature of any such defects together with all available evidence thereof, promptly following the discovery thereof. The Procuring Entity shall afford all reasonable opportunity for the Supplier to inspect such defects.

28.5 Upon receipt of such notice, the Supplier shall, within the period specified in the **SCC**, expeditiously repair or replace the defective Goods or parts thereof, at no cost to the Procuring Entity.

28.6 If having been notified, the Supplier fails to remedy the defect within the period specified in the **SCC**, the Procuring Entity may proceed to take within a reasonable period such remedial action as may be necessary, at the Supplier's risk and expense and without prejudice to any other rights which the Procuring Entity may have against the Supplier under the Contract.

29. Patent Indemnity

29.1 The Supplier shall, subject to the Procuring Entity's compliance with GCC Sub-Clause 29.2, indemnify and hold harmless the Procuring Entity and its employees and officers from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of any nature, including attorney's fees and expenses, which the Procuring Entity may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright, or other intellectual property right registered or otherwise existing at the date of the Contract by reason of:

(a) the installation of the Goods by the Supplier or the use of the Goods where the Site is located; and

(b) the sale in any country of the products produced by the Goods.

Such indemnity shall not cover any use of the Goods or any part thereof other than for the purpose indicated by or to be reasonably inferred from the Contract, neither any infringement resulting from the use of the Goods or any part thereof, or any products produced thereby in association or combination with any other equipment, plant, or materials not supplied by the Supplier, pursuant to the Contract.

29.2 If any proceedings are brought or any claim is made against the Procuring Entity arising out of the matters referred to in GCC Sub-Clause 29.1, the Procuring Entity shall promptly give the Supplier a notice thereof, and the Supplier may at its own expense and in the Procuring Entity's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim.

29.3 If the Supplier fails to notify the Procuring Entity within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Procuring Entity shall be free to conduct the same on its own behalf.

29.4 The Procuring Entity shall, at the Supplier's request, afford all available assistance to the Supplier in conducting such proceedings or claim, and shall be reimbursed by the Supplier for all reasonable expenses incurred in so doing.

29.5 The Procuring Entity shall indemnify and hold harmless the Supplier and its employees, officers, and Subcontractors from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of any nature, including attorney's fees and expenses, which the Supplier may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright, or other intellectual property right registered or otherwise existing at the date of the Contract arising out of or in connection with any design, data, drawing, specification, or other documents or materials provided or designed by or on behalf of the Procuring Entity.

30 Limitation of Liability

30.1 Except in cases of criminal negligence or willful misconduct,

(a) the Supplier shall not be liable to the Procuring Entity, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the Supplier to pay liquidated damages to the Procuring Entity and

(b) the aggregate liability of the Supplier to the Procuring Entity, whether under the Contract, in tort or otherwise, shall not exceed the total Contract Price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment, or to any obligation of the supplier to indemnify the Procuring Entity with respect to patent infringement

31. Change in Laws and Regulations

31.1 Unless otherwise specified in the Contract, if after the date of 28 days prior to date of Bid submission, any law, regulation, ordinance, order or bylaw having the force of law is enacted, promulgated, abrogated, or changed in

the place in Lao PDR where the Site is located (which shall be deemed to include any change in interpretation or application by the competent authorities) that subsequently affects the Delivery Date and/or the Contract Price, then such Delivery Date and/or Contract Price shall be correspondingly increased or decreased, to the extent that the Supplier has thereby been affected in the performance of any of its obligations under the Contract. Notwithstanding the foregoing, such additional or reduced cost shall not be separately paid or credited if the same has already been accounted for in the price adjustment provisions where applicable, in accordance with GCC Clause 15.

- 32. Force Majeure**
- 32.1 The Supplier shall not be liable for forfeiture of its Performance Security, liquidated damages, or termination for default if and to the extent that its delay in performance or other failure to perform its obligations under the Contract is the result of an event of Force Majeure.
- 32.2 For purposes of this Clause, "Force Majeure" means an event or situation beyond the control of the Supplier that is not foreseeable, is unavoidable, and its origin is not due to negligence or lack of care on the part of the Supplier. Such events may include, but not be limited to, acts of the Procuring Entity in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes.
- 32.3 If a Force Majeure situation arises, the Supplier shall promptly notify the Procuring Entity in writing of such condition and the cause thereof. Unless otherwise directed by the Procuring Entity in writing, the Supplier shall continue to perform its obligations under the Contract as far as is reasonably practical and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.
- 33. Change Orders and Contract Amendments**
- 33.1 The Procuring Entity may at any time order the Supplier through notice in accordance GCC Clause 8, to make changes within the general scope of the Contract in any one or more of the following:
- (a) drawings, designs, or specifications, where Goods to be furnished under the Contract are to be specifically manufactured for the Procuring Entity;
 - (b) the method of shipment or packing;
 - (c) the place of delivery; and
 - (d) the Related Services to be provided by the Supplier.
- 33.2 If any such change causes an increase or decrease in the cost of, or the time required for, the Supplier's performance of any provisions under the Contract, an equitable adjustment shall be made in the Contract Price or in the Delivery/Completion Schedule, or both, and the Contract shall accordingly be amended. Any claims by the Supplier for adjustment under this Clause must be asserted within twenty-eight (28) days from the date of the Supplier's receipt of the Procuring Entity's change order.
- 33.3 Prices to be charged by the Supplier for any Related Services that might be needed but which were not included in the Contract shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the Supplier for similar services.

33.4 Subject to the above, no variation in or modification of the terms of the Contract shall be made except by written amendment signed by the parties.

34. Extensions of Time

34.1 If at any time during performance of the Contract, the Supplier or its subcontractors should encounter conditions impeding timely delivery of the Goods or completion of Related Services pursuant to GCC Clause 13, the Supplier shall promptly notify the Procuring Entity in writing of the delay, its likely duration, and its cause. As soon as practicable after receipt of the Supplier's notice, the Procuring Entity shall evaluate the situation and may at its discretion extend the Supplier's time for performance, in which case the extension shall be ratified by the parties by amendment of the Contract.

34.2 Except in case of Force Majeure, as provided under GCC Clause 32, a delay by the Supplier in the performance of its Delivery and Completion obligations shall render the Supplier liable to the imposition of liquidated damages pursuant to GCC Clause 26, unless an extension of time is agreed upon, pursuant to GCC Sub-Clause 34.1.

35. Termination

35.1 Termination for Default

(a) The Procuring Entity, without prejudice to any other remedy for breach of Contract, by written notice of default sent to the Supplier, may terminate the Contract in whole or in part:

- (i) if the Supplier fails to deliver any or all of the Goods within the period specified in the Contract, or within any extension thereof granted by the Procuring Entity pursuant to GCC 34;
- (ii) if the Supplier fails to perform any other obligation under the Contract; or
- (iii) if the Supplier, in the judgment of the Procuring Entity has engaged in fraud and corruption, as defined in GCC Clause 3, in competing for or in executing the Contract.

(b) In the event the Procuring Entity terminates the Contract in whole or in part, pursuant to GCC Clause 35.1(a), the Procuring Entity may procure, upon such terms and in such manner as it deems appropriate, Goods or Related Services similar to those undelivered or not performed, and the Supplier shall be liable to the Procuring Entity for any additional costs for such similar Goods or Related Services. However, the Supplier shall continue performance of the Contract to the extent not terminated.

35.2 Termination for Insolvency.

(a) The Procuring Entity may at any time terminate the Contract by giving notice to the Supplier if the Supplier becomes bankrupt or otherwise insolvent. In such event, termination will be without compensation to the Supplier, provided that such termination will not prejudice or affect any right of action or remedy that has accrued or will accrue thereafter to the Procuring Entity

35.3 Termination for Convenience.

(a) The Procuring Entity, by notice sent to the Supplier, may terminate the Contract, in whole or in part, at any time for its convenience. The notice of termination shall specify that termination is for the Procuring Entity's convenience, the extent to which performance of the Supplier

under the Contract is terminated, and the date upon which such termination becomes effective.

- (b) The Goods that are complete and ready for shipment within twenty-eight (28) days after the Supplier's receipt of notice of termination shall be accepted by the Procuring Entity at the Contract terms and prices. For the remaining Goods, the Procuring Entity may elect:
 - (i) to have any portion completed and delivered at the Contract terms and prices; and/or
 - (ii) to cancel the remainder and pay to the Supplier an agreed amount for partially completed Goods and Related Services and for materials and parts previously procured by the Supplier.

36. Assignment

36.1 Neither the Procuring Entity nor the Supplier shall assign, in whole or in part, their obligations under this Contract, except with prior written consent of the other party.

**37. Export
Restriction**

37.1 Notwithstanding any obligation under the Contract to complete all export formalities, any export restrictions attributable to the Procuring Entity, to Lao PDR, or to the use of the products/goods, systems or services to be supplied, which arise from trade regulations from a country supplying those products/goods, systems or services, and which substantially impede the Supplier from meeting its obligations under the Contract, shall release the Supplier from the obligation to provide deliveries or services, always provided, however, that the Supplier can demonstrate to the satisfaction of the Procuring Entity or of the Bank that it has completed all formalities in a timely manner, including applying for permits, authorizations and licenses necessary for the export of the products/goods, systems or services under the terms of the Contract. Termination of the Contract on this basis shall be for the Procuring Entity's convenience pursuant to Sub-Clause 35.3.

APPENDIX TO GENERAL CONDITIONS

Fraud and Corruption

Purpose

The Bank's Anti-Corruption Guidelines and this annex apply with respect to procurement under Bank Investment Project Financing operations.

Requirements

The Bank requires that Borrowers (including beneficiaries of Bank financing); bidders (applicants/proposers), consultants, contractors and suppliers; any sub-contractors, sub-consultants, service providers or suppliers; any agents (whether declared or not); and any of their personnel, observe the highest standard of ethics during the procurement process, selection and contract execution of Bank-financed contracts, and refrain from Fraud and Corruption.

To this end, the Bank:

Defines, for the purposes of this provision, the terms set forth below as follows:

"corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

"fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;

"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;

"coercive practice" is 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;

"obstructive practice" is:

deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or

acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for under paragraph 2.2 e. below.

Rejects a proposal for award if the Bank determines that the firm or individual recommended for award, any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/ or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;

In addition to the legal remedies set out in the relevant Legal Agreement, may take other appropriate actions, including declaring misprocurement, if the Bank determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the loan engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the procurement process, selection and/or execution of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur, including by failing to inform the Bank in a timely manner at the time they knew of the practices;

Pursuant to the Banks Anti-Corruption Guidelines and in accordance with the Bank's prevailing sanctions policies and procedures, may sanction a firm or individual, either indefinitely or for a stated period of time, including by publicly declaring such firm or individual ineligible (i) to be awarded or otherwise benefit from

a Bank-financed contract, financially or in any other manner;¹ (ii) to be a nominated² sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any Bank-financed project;

Requires that a clause be included in bidding/request for proposals documents and in contracts financed by a Bank loan, requiring bidders (applicants/proposers), consultants, contractors, and suppliers: and their sub-contractors, sub-consultants, service providers, suppliers, agents, personnel, permit the Bank to inspect³ all accounts, records and other documents relating to the procurement process, selection and/or contract execution, and to have them audited by auditors appointed by the Bank.

¹ For the avoidance of doubt, a sanctioned party's ineligibility to be awarded a contract shall include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.

² A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been: (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the Borrower.

³ Inspections in this context usually are investigative (i.e., forensic) in nature. They involve fact-finding activities undertaken by the Bank or persons appointed by the Bank to address specific matters related to investigations/audits, such as evaluating the veracity of an allegation of possible Fraud and Corruption, through the appropriate mechanisms. Such activity includes but is not limited to: accessing and examining a firm's or individual's financial records and information, and making copies thereof as relevant; accessing and examining any other documents, data and information (whether in hard copy or electronic format) deemed relevant for the investigation/audit, and making copies thereof as relevant; interviewing staff and other relevant individuals; performing physical inspections and site visits; and obtaining third party verification of information.

**THE SPECIFICATION
(INCLUDING SCHEDULE OF REQUIREMENTS AND TECHNICAL
SPECIFICATIONS)**

**THE COMPLETED SCHEDULES
(INCLUDING PRICE SCHEDULES)**

**ANY OTHER DOCUMENT LISTED IN GCC AS FORMING PART OF THE
CONTRACT**