COMMUNITY PROCUREMENT MANUAL

ENHANCING LANDSCAPE AND ECOSYSTEM MANAGEMENT (ELEMENT) PROJECT

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Purpose of the Manual

Under ELEMENT Project, it is envisaged that community level organisations namely Village ELEMENT Management Committees (VMCs) in the State of Nagaland will undertake procurement of goods, works and services for the implementation of the project. To facilitate community level procurement processes to be carried out in an efficient, transparent and competitive manner, this Community Procurement Manual has been developed for the Project. This manual provides simple step by step guidance and instructions to communities on how to procure various goods, works and services required for the implementation of their sub-projects and to promote a consistent and uniform approach for planning, execution, reporting and monitoring of Project related procurements through application of defined rules and procedures, thereby enhancing the capacity of the beneficiaries to undertake procurements to meet the Project needs.

Applicable Procurement Framework

All community-level procurements in the project will follow Community-Driven Development (CDD)[1] arrangements as per the provisions mentioned in para 6.52 and 6.53 of the World Bank's Procurement Regulations for Borrowers for Goods, Works, Non-Consultancy and Consultancy Services, Revision dated September 2023. In specific, the community procurement will be governed by the provisions mentioned in para 6.9 and 6.10 of the Annex XII of the Procurement Regulations applicable to the project. In event of any discrepancies between this manual and the Procurement Regulations, the World Bank Regulations, as stated above, will supersede guidance provided in this section. In addition, the rights and obligations of the purchaser and the suppliers/contractors/service providers of goods, works and services will be governed by the bid/ tender documents and by the contracts signed by the purchaser with the supplier/contractor/service provider, and not by the guidelines stated in this section. This section may be updated from time to time based on the requirements of the project and on the request of borrower, with prior approval of the Bank.

Community Driven Procurement

The ELEMENT Project focuses on the involvement of communities in the formulation, design, and implementation of their procurements, including in decisions regarding the procurement of goods, works and non-consulting services that conform to quality standards, in accordance to the approved Community Landscape Management Plan (CLMP). The communities should be capacitated and empowered to carry out procurements required to implement their approved CLMPs with the highest ethical standards, in accordance with agreed procedures. Community Procurement means any type of procurement undertaken by VMCs in the state under the Project to implement its approved CLMP.

Principles of Community Procurement

During procurement process, the community must spend project funds in procuring quality goods, work and services at right price, at right time with right quantity to achieve the Project goals.

- ✓ **Quality Assurance:** Procurement of goods and materials from authorized vendors of manufacturers shall be the first step in obtaining qualitative goods/ materials.

[1]*Community Driven Development (CDD) procurements under ELEMENT Project will follow the procedures outlined in the para 6.52 and 6.53 of the World Bank's "Procurement Regulations for IPF Borrowers for Procurement in Investment Project Financing - Goods, Works, Non-Consulting Services and Consulting Services", Revision dated September 2023("Procurement Regulations") and the additional provisions stipulated in the Legal Agreement. This will be subject to the World Bank's Anticorruption Guidelines, dated October 15, 2006, and revised in January 2011 and July 2016.*

- ✓ **Quantity Assurance:** Quantities required to execute the work satisfactorily shall always be worked out prior to scheduling the procurement. Purchase of excess goods/ materials always results in loss & wastage.
- ✓ **Timing:** Appropriate timing of delivery of goods/ materials matching with commencement and completion of work shall always be adhered to. Any gap might lead to either excess holding of material or delay in the completion of work, which may result in cost overrun, adversely affecting the financial viability of the project.
- ✓ **Rates:** The rates for materials and goods to be purchased should be reasonable and commensurate with quality and comparable with purchases being affected for similar projects.

Important aspects of Community Procurement

Procurements undertaken by communities should consider the following:

- **DEMAND ESTIMATION:** What will be procured and in what quantity (procurements should be aligned with the approved CLMP).
- **SUPPLY MARKET SURVEY:** Identify suppliers in the nearest and neighbouring markets who can meet the demand and to invite quotations (a minimum of 3 quotations are required under RFQ method).
- **ESTIMATED COST:** Should be within the funds made available under the approved CLMP.
- **HOW TO PROCURE:** Through competitive or direct purchase as per permissible procurement methods as per value thresholds per contract.
- **WHO WILL PROCURE:** Through Procurement Committee.
- **WHO WILL BE BENEFITTED:** Access how many beneficiaries will be benefitted by the activity.
- **WHEN TO PROCURE:** Time at which the procurements are required as well as time taken for procurement to complete the sub-project on a timely basis.
- **WHERE TO DELIVER:** Goods/Works/Services to be delivered [location/delivery point/transportation, etc.]

Procurement Process

In general, following process should be followed during procurement cycle:

- Need assessment (based on the approved CLMP) through a participatory process. An example of need assessment template is highlighted below:

For Agricultural requirements	**For Livestock requirements**
Name of Activity:	Name of activity:
Seed varieties:	Breed varieties:
Quantity (kg):	Quantity (nos):
Total area:	No. of beneficiary:
No. of beneficiary:	Source of supply:
Source of supply:	Any beneficiary contribution:
Any beneficiary contribution:	When required:
When required:	

- Preparing procurement plan by: (i) Grouping the items of similar nature to be procured and (ii) describing the anticipated permissible procurement method for procuring the same.

- Establishing a Procurement Committee comprising of community members elected through an elective process.
- Posting a general advertisement in a public place (i) including shopping areas, community hall/centre, government office etc.; (ii) community discussion groups; (iii) local newspapers, etc.
- Follow the procurement process as per permissible procurement method.

Types of Procurements (of Goods, Works and Services)

Low value low risk community driven procurements shall be carried out by the VMCs. Below is the list of indicative procurements to be carried out by them in the project:

- **Goods & Non-Consultancy Services**: purchase of saplings for establishment of nurseries, seeds, timber /bamboo and piglets, goods/ equipment for composting facilities, etc.

  Purchase of Agricultural Inputs/ materials

  For larger quantities or if the activity is to be implemented across the ELEMENT project, the State Project Management Unit (SPMU) will identify the suppliers and issue a Rate Contract. In this case, the community organizations will submit the area details and number of beneficiaries to SPMU. SPMU after the procurement process, advised the VMC to make the order as per the requirements (OR); the inputs will be supplied to the beneficiaries.

  If inputs are supplied by SPMU

  1. Identify the beneficiary (name, area in Ha)
  2. Collect beneficiary contribution (if any).
  3. When informed, go to the distribution point, collect the materials and sign the receipt.
  4. After planting, inform SPMU/ZMU/DC (District Coordinator) about the quality of germination.

  If inputs are to be purchased from another farmer/ Farmer Interest Group (FIG) from nearby areas

  1. Identify the beneficiary (name, area in Ha)
  2. Check the budget allocation for the activity.
  3. Collect beneficiary contribution (if any).
  4. Put the requirements/ advertisements of agricultural inputs in the notice board of the community organizations and other public places within the village.
  6. After receiving quotation from sellers (farmers/ FIG), Procurement Committee will visit the sources of supply within the village or nearby villages to check the quality, price and available quantity.
  7. Procurement Committee may seek guidance from District Coordinator/PFA on the quality considerations to check.
  8. Procurement Committee will record the observations and price quoted for each of the farmer or FIG.
  9. Procurement Committee will recommend the farmer/FIG who has quoted the lowest price and for the required quality. All members will sign on the register.
  10. Inform the selected farmer/FIG to deliver the required quantity and quality within a prescribed timeline.
  11. Sample check the quality received and the numbers. Return the defective quality for replacement.
  12. Make payment to the Farmer/FIG as per agreed mode. It is a good practice to make payment through cheque.
  13. During Next meeting of the community organization, inform every member about the procurement (quantity procured, price paid, name of the farmer/FIG and the quality).

Activity name:

Type of inputs:
No. of beneficiary benefiting from the activity:

Sl.No.	Agricultural inputs/ materials	Farmer/ Farmer Interest Group			Lowest Amount ₹	Any other criteria	Remarks
		Name:	Name:	Name:			
		Rate quoted	Rate quoted	Rate quoted			

We have visited the farmers/ FIG, checked the quality, price and availability and recommend that the agricultural inputs/ materials may be purchased from the recommended farmer/ FIG on the lowest rate above subject to approval of the procurement committee.

Members of the Procurement Committee

Sl.No.	Name	Signature

Purchase of livestock

When SPMU has already identified the supplier (Government agencies/Government Animal Farm/Private Supplier), prepare the requirement of quantity and specify the delivery address. In case, the community organization must transport the poultry chicks, cattle or livestock from the Government animal farms/private supplier, ensure the following:

1. Identify the transport vehicle with sufficient space.
2. Ensure minimum feed/water during the transport.
3. Check the birds/animals are in good health and no apparent discomfort / disease is observed.
4. Confirm whether the minimum vaccinations have been provided.
5. Beneficiary must report within two days the health condition of the birds/animals to SPMU/ZMU/DC.

If inputs are to be purchased from another farmer/ Farmer Interest Group (FIG) from nearby areas

1. Identify the beneficiaries.
2. Check the budget allocation for the activity.
3. Collect beneficiary contribution (if any).
4. Put the requirements/ advertisements in the notice board of the community organizations and other public places within the village

5. After receipt of quotation, Procurement Committee will visit the sellers (farmer/ FIG) along with Village Livestock worker/ Animal Health Worker. Inspect the herd and check the price from different suppliers for the same breed and age.
6. Confirm the good health conditions with the help of VLW/ AHW.
7. Check from the trader about the vaccinations done.
8. Agree on the most competitive price comparing different sellers' price.
9. Get the sale receipt signed by the trader and obtain permit for transportation from the Market Committee or other authority.
10. Identify the transport vehicle with sufficient space.
11. Ensure minimum feed/water during the transport.
12. Check the birds/animals are in good health and no apparent discomfort/disease is observed.
13. Beneficiary has to report within two days, the health condition of the birds/animals to SPMU/ZMU/ DC.

Activity name:

Type of inputs:

No. of beneficiary benefiting from the activity:

Sl.No.	Livestock	Sellers/ Traders			Lowest Amount ₹	Any other criteria	Remarks
		Name:	Name:	Name:			
		Rate quoted	Rate quoted	Rate quoted			

We have visited the village haat, checked the quality, price and availability and recommend that the livestock may be purchased from the recommended trader/ supplier on the lowest rate above subject to approval of the procurement committee.

Members of the Procurement Committee

Sl.No.	Name	Signature

Purchase of materials for small infrastructure works

Works: Minor civil works like for soil and conservation structures like check dams, gully plugging, landslide retaining walls/ spring shed rejuvenating structures, water harvesting structures, drainage line treatment, village common facility centre, etc.

1. Community will identify the priority works and inform SPMU/ZMU/DC.
2. Check the budget allocation for the activity.

3. Procurement Committee (with the help of technical staff) will prepare design and cost estimate for such civil works. Cost estimate will have clear break up for labour and material cost. After approval, this work will be part of approved CLMP and procurement plan.
4. Collect technical estimates from DC with breakup of material, labour component to be provided through MGNREGA wage rate updated from time to time.
5. Collect beneficiary contribution (if any).
6. If it is decided to carry out the work with own labour resources, community will plan the phased requirement of material in consultation with DC/PFA. If supply and works are to be performed by the contractor, bill of material will be made out. This requirement will also be put up on the notice board of the community organization and other public places within the village.
7. RFQ will be issued to identified potential bidders.
8. Procurement Committee will visit the sources of material supply/labour within the village or nearby villages to check the quality, price and past work/available quantity.
9. Procurement committee may seek guidance from DC/PFA on the quality considerations to be checked.
10. Procurement Committee will open quotations, record the observations and price quoted for each of the contractor.
11. Procurement Committee prepare comparison statement for evaluation of the RFQ and will recommend the supplier who has quoted the lowest price for the required quality. All members will sign on the register.
12. Issue the Purchase Order and inform the selected contractor to start work and hand over the site.
13. Check the quality of work, measure the quantity and status of work as per agreed schedule.
14. Make payment to the contractor as per agreed mode. It is a good practice to make payment through cheque.
15. During Next meeting of the community organization, inform every member about the procurement (works procured, price paid/to be paid, name of the contractor).
16. In case, work has been performed by the community with own labour resources, Procurement Committee will maintain muster roll for labour input which will be counter signed by DC, technical staff.
17. Technical staff of the District Unit will provide technical guidance on construction activities from time to time.

- **Consultancy Services:** No consultancy services contracts are envisaged at the community level.

Community Level Organization and Cadre in the Project

To support the project activities in the villages at community level, Village ELEMENT Management Committee (VMC) will undertake the procurement of goods, works and services in the project.

Roles and Responsibilities of the Procurement Committee

Procurement Committee means a sub-committee of the Village ELEMENT Management Committee (VMC) comprising of the representatives of the community, elected by the community, which shall assist them in the planning, execution, administration and monitoring of the procurement functions in line with the approved CLM Plans. The Procurement Committee shall be established through an elective process requiring a minimum level of capability and assurance of character (integrity), and the inclusion of female representatives. The quorum of the Procurement Committee will be a minimum 3-5 members with at least 33% women members. The procurement process will commence only after procurement training and related procurement documents/ formats have been provided with the Procurement Committee of the VMCs.

Some of the functions of the Procurement Committee are:

- Prepare annual Procurement Plan with procurement timelines.
- Invite Request for Quotations (RFQ) to potential suppliers/ contractors/ service providers from the market.
- Obtain quotations within the specified period (normally 7-14 days).
- Open the quotations in the presence of community members.
- Prepare comparison statement in the prescribed format and obtain approval of VMC on the recommendation of award.
- Record procurement decision on award of contract in the presence of community members in the Minutes Register.
- Issue Purchase Order (PO) / Work Order (WO) with the lowest evaluated responsive supplier/ contractor.
- Monitor the delivery of goods and works as per PO/ WO and maintain the stock register for delivery of goods/ Measurement Book (MB) for the progress of works.
- Release payments to suppliers/ contractors as per the term and conditions of PO/ WO.
- Keep all records related to procurement such as Request for Quotations [RFQ] issued, quotations received, comparison statement, record of decision taken by the community on placing award, invoices, payments made, etc. for review and audits.
- Record written justification for non-competitive procurement [e.g., spare parts, proprietary items, etc.] and obtain approval from VMC.
- Maintain procurement files/ records.
- Respond to any procurement related complaints in timely and fair manner. Maintain a procurement related complaint handling procedure.
- Facilitate the community procurement audit by sharing necessary information and records with the auditors.
- On community notice board accessible to everyone from the community:

    a. disclose the latest procurement plan which includes but not limited to (a) title of procurement, (b) estimated amount, (c) estimated RFQ issue date, (d) estimated PO/WO issue date).
    b. disclose contract award information which includes but not limited to title of the contract, award amount, awardee name and address, contract completion period.

Procurement Capacity Building of Community Organisations

For effective implementation of Community Driven Procurement, the Project will initiate capacity building measures for imparting training to VMCs on procurement prior to initiating any procurement by them. Trainings may be conducted initially by the State level Project Management Unit (PMU) or its representative units where the Project staffs/ officials at district and sub-district level/ block level shall be acclimatized with the concept of community procurement, methods of procurement, procurement administration, etc., and the procedures and responsibilities prescribed in this guideline so that they can guide and assist and train the VMCs for implementation of procurement activities in the project. Refresher trainings should be organised for the VMCs periodically throughout the implementation of the Project period. The training shall at least cover the following topics:

- Applicable procurement arrangements;
- Procurement procedures and value thresholds for procurement of goods, works and services;
- Contract monitoring and supervision of procurement contracts;
- Procurement record keeping for audits;
- Procurement best practices;

- Disclosure of procurement information on the notice board of Village Council; and
- Procurement complaint handling protocol.

A record of such trainings shall be kept at all levels (VMCs, ZMU and PMU).

Permissible Procurement Thresholds and Methods

The following methods and value thresholds are to be followed for community procurement for Goods, Non-Consulting Services and Works.

Permissible Procurement Methods	Value Thresholds[2] per Contract		Review Procedure
	Goods & Non-Consulting Services	Works	
Request for Quotations (RFQ) by Limited Competition (minimum three quotations without advertisement).	Less than INR 1,00,000.00	Less than INR 5,00,000.00	Post Review of15% of contracts (including physical verification of assets procured/ created in the project) will be undertaken annually by the Project Authorities (PMU)/ World Bank/ Third Party hired by the Project.
Direct Selection[3]	Less than INR 10,000 with due justification and approval of the community organisation (VMCs)	Not Applicable	

Permissible Procurement Methods

(1) Request for Quotations (RFQ). RFQ is a procurement method based on comparing price quotations obtained from several suppliers/ service providers/ contractors. A minimum of three (3) quotations from suppliers/ service providers/ contractors is required to ensure competitive prices. RFQ is an appropriate method for procuring readily available, off-the-shelf goods or Non-consulting Services, standard specification commodities or simple civil Works of small value. The RFQ will include detailed description of item to be procured (without referring to brand name), specifications (e.g., ISI brand), quantity of items to be procured, quality of the goods, duration, location, Terms of delivery, as well as desired delivery at a single point. If the quotations call for more than one item/work, it should be indicated whether the evaluation would be for each item, or for all items combined. Quotations/rates can also be obtained through market survey; again, a minimum of three quotations is mandatory for comparison of prices. Quotations should be opened at the same date and time of the submission date as mentioned in the RFQ, and to the extent possible in the presence of community members. As a rule, the supplier or contractor who offers the lowest price should be awarded the contract. Exception may be made in case of previous history of unsatisfactory

[2] *All procurements with estimated costs above Rs. 5 lakhs will be undertaken by SPMU. As the maximum threshold for procurements at community level per contract, the details of each & every procurement shall be recorded in an Excel Sheet and properly filed for review/ audit.*

[3] *Direct selection method can be opted after providing due justification for the use of the same.*

performance by a supplier, or if another supplier is able to provide the goods earlier, in case of time-sensitive activities.

The Key steps for procurement under Request for Quotations (RFQ) Method are outlined below:

Sl.	Description
1.	Prepare a list of goods/ non-consulting services/ works based on the requisition of the community and the estimated cost.
2.	Undertake procurement in accordance with agreed procurement limits, methods and procedures.
3.	Post a general advertisement in a public place including: (i) Local shopping areas, community hall/centre, government offices, etc. (ii) Any other areas used for community discussions/group forums (iii) Local newspapers, etc.
4.	Issue Request for Quotations (RFQ) in the prescribed format to the potential suppliers/ contractors/ service providers in the market
5.	Obtain quotations within the specified period (normally 7-14 days).
6.	Open the quotations received in the presence of the community members and the details should be recorded in a Minutes Register.
7.	Prepare a quotation comparison statement in the prescribed format and all the members of the procurement committee shall date and sign the comparison statement. This will also be recorded in the Minutes Register.
8.	Compare the rate quoted by the lowest evaluated bidder with the estimated cost. If the amount is high, the reason should be analysed and documented by comparing with the market and then procurement should be made accordingly.
9.	Issue Purchase Order/ Work Order to the lowest evaluated supplier/ contractor/ service provider recommended by the procurement committee.
10.	Receive and check supplies received for quantity and quality defects.
11.	Goods procured/ issued should be recorded in asset register of the Project
12.	Procurement award information should be displayed on notice boards of the Village Council (VC) after the procurement is made.
13.	Keep all records related to procurement such as Request for Quotations (RFQ) as issued, quotations received, comparison statement, record of decision taken by the committee on placing award, invoices, payments made, etc. in a separate file for review and audit purpose.
14	Provide a written response to complaints (if any) in timely and fair manner. Maintain all records related to complaints for audit purpose.

(2) **Direct Selection.** Direct selection enables a supplier to be chosen without applying the competitive methods as in case of RFQ. This method is usually used where only one supplier is available locally, or when the cost of using a competitive process such as RFQ is likely to be much higher relative to the value of procurement directly from the available source. To the extent possible, the price should be reasonable and consistent with the market rate/ Govt. rates of similar nature procurements. Splitting of contracts to avoid competition is not permitted. Direct Selection will have to be justified and documented, and may also be carried out under the following circumstances:

(i) Extension of an existing contract – where it can be shown that there is little benefit in shopping for additional goods currently being supplied under an existing contract.

(ii) Equipment standardization – where it is necessary to match new equipment with existing equipment.
(iii) Propriety equipment – where the required equipment is proprietary and only available from a single source.
(iv) In exceptional cases, such as in response to Emergency Situations[4].

Procurement Record Keeping

When the procurement of goods, works and services are undertaken by the project beneficiaries/procuring entities, following records shall be maintained and kept at each level for review and audit purposes by the project authorities in the project.

- Request of Quotation (RFQ) as issued, including information on publication of RFQ in the notice board, local media, etc.;
- Number of Quotations received;
- Copies of quotations;
- Quotation opening minutes;
- Comparative Statement duly signed and dated;
- Records of decision taken by the committee for the award of contract;
- Records of purchase order (PO)/work order/ contract agreement;
- Invoice/ bills, etc.;
- Goods receipt note (GRN)/record of measurements and Measurement Book;
- Records of payments released;
- Details/photographs of contract award notice in the notice board of VC;
- Geo-tagged photographs of goods distributed to beneficiaries, ongoing civil works and completed works etc;
- Details of procurement related complaints, if any, and how these were handled.

Internal Controls

The following internal controls are recommended in the procurement process:

- Initiation of procurements will commence only after procurement trainings and related documentation has been provided to the Village ELEMENT Management Committee/ procurement committee.
- Each community organisations shall have a procurement plan based on its approved CLMP endorsed by the State PMU/ PIUs.
- Term of Procurement Committee will be limited to three year; fresh members of the Procurement Committee will be nominated/elected by the general body.
- Any decision taken on procurement shall be taken in the presence of community members, and the decision recorded in the VMC's Minutes Register.
- The members of the Procurement Committee should not be related to the members of other Committees formed by the VMC or suppliers/ contractors from who has been awarded with the contract.
- In case friends or relatives of the any member of the Procurement Committee are supplier/ contractor from whom the quotation has been invited, the concerned member(s) cannot participate in evaluation process and preparing the comparison statement.
- Community procurement will be subject to procurement post review by the Project Authorities-PMU/ PIUs/appointed third party consultants and by the World Bank.

[4] Emergency does not mean urgency

Transparency in Procurement

The following actions/ measures are recommended to ensure transparency in the procurement process:

- Information with respect to intended procurement through quotations should be displayed on the notice boards, Community Halls and other public places accessible to all.
- Any member of the community can request for examination the documents regarding procurement. In such a case, the VMC shall facilitate the inspection of the procurement documents.
- At each meeting of the VMC's, the proceedings book of the meetings and copies of project related documents, including procurement records, shall be kept at the venue for inspection by the Community.
- Any procurement related complaints shall be immediately acknowledged and submitted to the District Coordinator/ ZMU for redressal.

Annexures - Procurement Formats for Goods and Works

Format for Request For Quotation (RFQ)

INVITATION FOR QUOTATIONS FOR SUPPLY OF GOODS/ EQUIPMENT

UNDER REQUEST FOR QUOTATION (RFQ) METHOD

Ref. No. _____ Date: _____

To

_____
_____
_____

Dear Sir,

Sub: INVITATION FOR QUOTATIONS FOR SUPPLY OF _____

1. You are invited to submit your most competitive quotation for the following goods:

Brief Description of the Goods	Specifications*	Quantity	Delivery Period	Place of Delivery	Installation Requirement if any

* ***Where ISI certification marked goods are available in market, procurement should generally be limited to goods with those or equivalent marking only.***

2. Government of India has received a Loan from the World Bank towards the cost of the …….. Project and intends to apply part of the proceeds of this Loan to eligible payments under the contract for which this invitation for quotations is issued.

3. **Fraud and Corruption**
The Bank requires compliance with the Bank's Anti-Corruption Guidelines and its prevailing sanctions policies and procedures as set forth in the WBG's Sanctions Framework, as set forth in the attachment to the Contract Conditions (Attachment A).

In further pursuance of this policy, Suppliers shall permit and shall cause their agents (where declared or not), subcontractors, sub-consultants, service providers, suppliers, and personnel, to permit the Bank to inspect all accounts, records and other documents relating to the RFQ and contract performance (in the case of award), and to have them audited by auditors appointed by the Bank.

4. **Bid Price**

a) The contract shall be for the full quantity as described above. Corrections, if any, shall be made by crossing out, initialling, dating and rewriting.
b) All duties, taxes and other levies payable on the raw materials and components shall be included in the total price.
c) Goods and Service tax (GST) in connection with the sale shall be shown separately.
d) The rates quoted by the bidder shall be fixed for the duration of the contract and shall not be subject to adjustment on any account.

e) The Prices shall be quoted in Indian Rupees (INR) only.

5. Each bidder shall submit only one quotation. Bidder shall not contact other Bidders in matters relating to this Quotation.

6. **Validity of Quotation**
   Quotation shall remain valid for a period not less than 15 days after the deadline date specified for submission.

7. **Evaluation of Quotations**
   The Purchaser will evaluate and compare the quotations determined to be substantially responsive i.e., which
   (a) are properly signed; and
   (b) conform to the terms and conditions, and specifications.

   The Quotations would be evaluated for all the items together/would be evaluated separately for each item. ***[Select one of the two options*]**.
   Goods and Service tax (GST) in connection with sale of goods shall not be taken into account in evaluation.

8. **Award of contract**
   The Purchaser will award the contract to the bidder whose quotation has been determined to be substantially responsive and who has offered the lowest evaluated quotation price.

   II. Notwithstanding the above, the Purchaser reserves the right to accept or reject any quotations and to cancel the bidding process and reject all quotations at any time prior to the award of contract.

   III. The bidder whose bid is accepted will be notified of the award of contract by the Purchaser prior to expiration of the quotation validity period. The terms of the accepted offer shall be incorporated in the supply order (sample form attached).

9. 100% payment shall be made immediately/or within 15 days after delivery and acceptance of the goods. **GST paid will be reimbursed at actual.**

10**.** Normal commercial warranty/guarantee shall be applicable to the supplied goods.

11**.** You are requested to provide your offer latest by ……. hours on .....*(date)*.

12. Quotations will be opened in the presence of the bidders or their representatives who choose to attend at _____Hrs on _____in the office of the _____

13. We look forward to receiving your quotations and thank you for your interest in this project.

(Purchaser Authority)

Name: ..... Tel. No.....

Address: ..... Fax No. .....

Attachment A

Fraud and Corruption

(Text in this Appendix shall not be modified)

1. Purpose

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

2. Requirements

2.1 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.

2.2 To this end, the Bank:

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

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

ii. "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;

iii. "Collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

iv. "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;

v. "Obstructive practice" is:

(a) 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

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

b. 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;

c. In addition to the legal remedies set out in the relevant Legal Agreement, may take other appropriate actions, including declaring mis-procurement, 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;

d. Pursuant to the Bank's 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;[5] (ii) to be a nominated[6] 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;

e. Requires that a clause be included in bidding/request for proposals documents and in contracts financed by a Bank loan, requiring (i) bidders (applicants/proposers), consultants, contractors, and suppliers, and their sub-contractors, sub-consultants, service providers, suppliers, agents personnel, permit the Bank to inspect[7] 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.

[5] 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.

[6] 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.

[7] 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.

FORMAT OF QUOTATION *

(In letterhead of the supplier with seal)

Sl. No.	Description Goods	Specifications	Qty.	Unit	Quoted Unit Rate in INR	Total Amount in INR	
						In Figures	In Words
	TOTAL						
	GST						

Gross Total Cost: Rs. .....

We agree to supply the above goods in accordance with the technical specifications for a total contract price of INR .....(amount in figures) (INR ..... amount in words) within the period specified in the Invitation for Quotations.

We also confirm that the normal commercial warranty/guarantee of ..... months shall apply to the offered goods.

We confirm that the above offer is valid for ---- days.

We hereby certify that we have taken steps to ensure that no person acting for us or on our behalf will engage in fraudulent or corrupt practices with the competitors.

Signature of Supplier

* ***Applicable while the bids are being invited for more than one item and would be evaluated for all the items together.***
Modify suitably where evaluation would be made for each item separately.

FORMAT FOR OPENING OF BIDS/QUOTATION

File No. ---------- **Date & Time of Quotation Opening ----------**

RFQ issued for _____

RFQ issued on _____

Sl. No	Name and address of the Supplier	Total Price in INR

It is certified that the above details were called out publicly in our presence:

Sl. No	Name of the representative	Agency	Signature

Signatures of Bid/Quotation Opening Committee Members

Sl. No	Name of the Officer	Designation	Signature

Minutes of the meeting (questions / clarification sought by the agency and the clarification given)

Signature **Signature** **Signature**

(Chairperson Name) **(Member Name)** **(Member Name)**

Date: **Date:** **Date:**

COMPARITIVE STATEMENT FORM

(FOR RFQ)

Name of firm	Quotation No. & Date	Name of Item/s and (Price quoted) Rate		Remark (Additional Information)	Decision (Selected/Rejected with Reason)
1	2	3	4	5	6
		Item A	Item B		
		Price A	Price B		

A supplier can be rejected based on several reasons. Some of them are given below:

- The information provided in the quotation is incomplete;
- The supplier cannot deliver the supplies in the time required;
- The supplier does not have the capacity to deliver;
- The quoted price is high;
- The warranty/ guarantees are not available (if applicable);
- The supplier cannot provide after sales support (if applicable).

Signature of Member 1

Date: ……

Signature of Member 2

Date: ……

Signature of Member 3

Date: ……

OFFICE OF ……

PURCHASE ORDER/SUPPLY ORDER

To:

M/s
……
……

Dear Sirs,

Sub: Supply of ……
Ref: Your quotation no…… dated **……**

1. Your quotation no……of **……**(Date) for the supply of **…… has been accepted.** You are requested to supply the following goods/equipment at the rates quoted by you and specified against each as per the specifications and terms & conditions specified hereunder:

S/ No	Brief description of goods/ equipment	Specifications	Quantity to be supplied	Unit Rate (INR)	GST in INR	Total Price (INR)
1						
2						
			Total			

2. Delivery Period: ……. days from the date of issue of this supply order.

3. Place of delivery ……

4. Consignee Address: ……

5. GST will be reimbursed at actual rates paid on the date of supply.

6. Standard Manufactures commercial Warranty/Guarantee shall be…….. months from the date of delivery and acceptance.

7. Payment shall be made within 15 days of delivery; and acceptance of the goods/equipment.

8. Other terms and conditions are as under:

(Purchaser)

Date: Name: ……

Place: Designation: …….

FORMAT FOR GOODS RECEIPT NOTE (GRN)

(Signature of Procurement Committee members)

Received with thanks from _____ on dated _____ the following items.

Date of Supply	Description	Quantity in Nos.	Unit Price in INR	Total Price in INR
Total				

Goods have been certified as correct receipts.

Name of receiving officer ..... **Signature .....** **Date .....**

Certified by ..... **Signature .....** **Date .....**

INVITATION FOR QUOTATIONS FOR CONSTRUCTION OF CIVIL WORKS

UNDER REQUEST FOR QUOTATION (RFQ)

To

_____

_____

_____

_____

Dear Sirs,

Sub: INVITATION FOR QUOTATIONS FOR CONSTRUCTION OF _____

1. You are invited to submit your most competitive quotation for construction of the following works:

Brief Description of the Works	**Approximate value of Works (INR)**	**Period of Completion**

2. Government of India has received a Loan from the World Bank towards the cost of the ……Project and intends to apply part of the proceeds of this Loan to eligible payments under the contract for which this invitation for quotations is issued.

3[8]. The _____ Project in _____ state is being implemented by _____, which is an Govt. Department/ autonomous society registered under the Societies Registration Act.

4. To assist you in the preparation of your quotation, we are enclosing the following (Delete whichever is not applicable):

   i. Layout Drawings of the works;

   ii. Structural Details;

   iii. Detailed Bill of Quantities, with estimated rates and prices;

   iv. Technical Specifications;

   v. Instructions to Bidders (in two sections).

   vi. Draft Contract Agreement format which will be used for finalizing the agreement for this Contract.

[8] Delete if inapplicable

5. You are requested to provide your best offer latest by..... Hrs. on..... Late quotations will be rejected.

6. Quotations will be opened in the presence of Bidders or their representatives who choose to attend at _____ Hrs. on _____ in the office of _____.

7. We look forward to receiving your quotations and thank you for your interest in this project.

(Employer)

Name: _____

Address: _____

Tel. No: _____

Instructions to Bidders

SECTION – A

1. Scope of Works:

The _____ (Employer) invites quotations for the construction of works as detailed in the table given below:

Brief Description of the Works	Approximate value of Works (INR)	Period of Completion

The successful bidder will be expected to complete the works by the intended completion date specified above.

2. Qualification of the bidder: The bidder shall provide information on his qualification which shall include:

(a) total monetary value of works executed by him for each year of the last 3 years (Attached completion certificate):

(b) Report on his financial standing (Latest Audit Statement); and

(c) Details of any litigation, during the last 3 years in which the bidder is involved, the parties concerned, and disputed amount in each case (Give details of both completed and pending cases).

3. To qualify for award of the contract the bidder:

(a) should have satisfactorily completed as a prime contractor at least one similar work of value not less than INR 500,000 in the last three years;

(b) should possess valid electrical license for executing building electrification works (in the event of the works being sub - contracted, the sub-contractor should have the necessary license);

(c) should possess required valid license for executing the water supply/sanitary works (in the event of the works being sub-contracted, the sub-contractor should have the necessary license);

(Note- Delete/modify the sub clauses (b) and (c) to suit the individual work for which quotations are invited)

4. **Bid Price**

a) The quotation shall be for construction of the whole works as described in the Bill of quantities, drawings and technical specifications. Corrections, if any, in the quotation shall be made by crossing out, initialling, dating and rewriting.

b) All duties, taxes and other levies payable by the contractor under the contract shall be included in the total price.

c) The rates quoted by the bidder shall be fixed for the duration of the contract and shall not be subject to adjustment on any account.

d) The rates should be quoted in Indian Rupees (INR) only.

5. Submission of Quotations

5.1 The bidder is advised to visit the site of works at his own expense and obtain all information that may be necessary for preparing the quotation.

5.2 Each bidder shall submit only one quotation. Bidders shall not contact other Bidders on matters relating to this quotation.

5.3 The quotation submitted by the bidder shall comprise the following:

(a) Quotation filled in the format given in Section **B**.

(b) Signed Bill of Quantities; and

(c) Qualification information form given in Section B duly completed.

5.4 The bidder shall seal the quotation in an envelope addressed to the..... (Employer). The envelope will also bear the following identification: -

- Quotation for _____ (Name of the Contract)
- Do not open before _____ (time and date of quotation opening).

5.5 Quotations must be received in the office of the ---------- (Employer) not later than the time and date given in the letter of invitation. If the specified date is declared a holiday, quotations shall be received upto the appointed time on the next working day.

5.6 Any quotation received by the ....., (Employer) after the deadline for submission of quotations will be rejected and returned unopened to the bidder.

6. Validity of Quotation

Quotation shall remain valid for a period not less than 45 days after the deadline date specified for submission.

7. Opening of Quotations

Quotations will be opened in the presence of bidders or their representatives who choose to attend on the date and time and at the place specified in the letter of invitation.

8. Information relating to evaluation of quotations and recommendations for the award of contract shall not be disclosed to bidders or any other persons not officially concerned with the process until the award to the successful bidder is announced.

9. Evaluation of Quotations

The Employer will evaluate and compare the quotations determined to be substantially responsive i.e., which

(a) meet the qualification criteria specified in clause 3 above;

(b) are properly signed; and

(c) conform to all the terms and conditions, specifications and drawings without material deviations.

10. Award of contract

The Employer will award the contract to the bidder whose quotation has been determined to be substantially responsive and who has offered the lowest evaluated quotation price and who meets the specified qualification criteria.

10.1 Notwithstanding the above, the Employer reserves the right to accept or reject any quotations and to cancel the bidding process and reject all quotations at any time prior to the award of contract.

10.2 The bidder whose quotation is accepted will be notified of the award of contract by the Employer prior to expiration of the quotation validity period.

11. Performance Security

Within 15 days of receiving letter of acceptance, the successful bidder shall deliver to the..... (Employer) the performance security (either a bank guarantee or a bank draft in favour of the Employer) for an amount equivalent of 3-5 % of the contract price. The Performance Security shall be valid till the expiry of the period of maintenance of the work, specified in clause 12. Failure of the successful Bidder to furnish performance security and signing the agreement within the period stipulated shall constitute sufficient grounds for annulment of award and debarring the bidder from participation in bidding by Employer for a period of one year, in which case the Employer may make the award to the next lowest evaluated bidder or seek quotations afresh.

12. Period of Maintenance:

The "Period of Maintenance" for the work is six months from the date of taking over possession or one full monsoon season whichever occurs later. During the period of maintenance, the contractor will be responsible for rectifying any defects in construction free of cost to the Employer.

13. Supply of all construction materials including cement and steel as per the specifications (ISI certification marked goods wherever available) shall be the responsibility of the contractor. Employer will not issue any material/equipment.

14. Fraud and Corruption

The Bank requires compliance with the Bank's Anti-Corruption Guidelines and its prevailing sanctions policies and procedures as set forth in the WBG's Sanctions Framework, as set forth in the attachment to the Contract Conditions (Attachment A).

In further pursuance of this policy, Suppliers shall permit and shall cause their agents (where declared or not), subcontractors, sub-consultants, service providers, suppliers, and personnel, to permit the Bank to inspect all accounts, records and other documents relating to the RFQ and contract performance (in the case of award), and to have them audited by auditors appointed by the Bank.

.....

Attachment A

Fraud and Corruption

(Text in this Appendix shall not be modified)

1. Purpose

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

2. Requirements

2.1 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.

2.2 To this end, the Bank:

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

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

ii. "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;

iii. "Collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

iv. "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;

v. "Obstructive practice" is:

(c) 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

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

b. 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;

c. In addition to the legal remedies set out in the relevant Legal Agreement, may take other appropriate actions, including declaring mis-procurement, 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;

d. Pursuant to the Bank's 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;[9] (ii) to be a nominated[10] 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;

e. Requires that a clause be included in bidding/request for proposals documents and in contracts financed by a Bank loan, requiring (i) bidders (applicants/proposers), consultants, contractors, and suppliers, and their sub-contractors, sub-consultants, service providers, suppliers, agents personnel, permit the Bank to inspect[11] 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.

[9] 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.

[10] 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.

[11] 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.

SECTION - B

1. **Format for Qualification Information.**

2. **Format for Submission of Quotation.**

3. **Format of Letter of Acceptance.**

QUALIFICATION INFORMATION

1 For Individual Bidders

1.1 Principal place of business: _____

Power of attorney of signatory of Quotation.

[Attach copy]

1.2 Total value of Civil Engineering 20___ _____

construction work performed in the last 20___ _____

three years (in INR Lakhs) 20___ _____

1.3 Work performed as prime contractor (in the same name) on works of a similar nature over the last three years.

Project Name	Name of Employer	Description of work	Contract No.	Value of contract (INR Lakhs)	Date of issue of work order	Stipulated period of completion	Actual date of completion*	Remarks explaining reasons for delay and work completed

Existing commitments and on-going works:

Description of Work	Place & State	Contract No. & Date	Value of Contract (INR Lakh)	Stipulated period of completion	Value of works* remaining to be completed (INR Lakh)	Anticipated date of completion
(1)	(2)	(3)	(4)	(5)	(6)	(7)

* ***Enclose a certificate from the Engineer concerned for completion as well as value of pending works.***

1.4 Proposed subcontracts and firms involved.

Sections of the works	Value of Sub-contract	Sub-contractor (name & address)	Experience in similar work

1.5 Evidence of access to financial resources to meet the requirements of working capital: Availability of sufficient fund, lines of credit, etc. List them below and attach copies of support documents.

1.6 Name, address, and telephone, telex, and fax numbers of the Bidders' bankers who may provide references if contacted by the Employer.

1.7 Information on litigation history in which the Bidder is involved.

Name of the work	Agreement number/date	Name & address of Employer	Contract Value in INR	Cause of dispute	Amount Disputed	Remarks showing present status

QUOTATION

*Description of the Works:

To:

Subject : Construction of.....

.....

Reference : Letter No.....dated.....from.....

Sir,

We offer to execute the Works described in your letter referred to above in accordance with the Conditions of Contract enclosed therewith at ..... percentage above / below the estimated rates, i.e., for a total Contract Price of -

INR** _____ [in figures]

INR _____ [in words].

This quotation and your written acceptance of it shall constitute a binding contract between us. We understand that you are not bound to accept the lowest or any quotation you receive.

We hereby certify that we have taken steps to ensure that no person acting for us or on our behalf will engage in bribery or collusive arrangements with the competitors. We will abide by the laws against fraud & corruption in force in India namely "Prevention of Corruption Act-1988 as amended on date.

We hereby confirm that this quotation is valid for 45 days as required in Clause 6 of the Instructions to Bidders.

We have not been debarred/removed from approved lists/ (dealings suspended) for participation in bidding for tenders by the Central/State Governments or by the World Bank.

Yours faithfully,

Authorized Signature : Date: _____

Name & Title of Signatory : _____

Name of Bidder : _____

Address : _____

* ***To be filled in by the Employer before issue of the Letter of Invitation.***

*** ***To be filled in by the Bidder, together with his particulars and date of submission at the bottom of this Form.***

LETTER OF ACCEPTANCE

CUM NOTICE TO PROCEED WITH THE WORK

(LETTERHEAD OF THE EMPLOYER)

Dated: _____

To: _____ [Name and address of the Contractor]

_____

_____

_____

_____

Dear Sirs,

This is to notify you that your quotation dated _____ for execution of the _____ for the contract price of Indian Rupees (INR) _____ [amount in words and figures], is hereby accepted by us.

You are hereby requested to furnish performance security for an amount of Rs. _____ (equivalent to 3-5% of the contract price) within 15 days of the receipt of the letter. The Performance Security in the form of Bank guarantee or a Bank draft in favour of..... (Employer) shall be valid till the expiry of the period of maintenance i.e. up to _____. Failure to furnish the Performance Security will entail cancellation of the award of contract.

You are also requested to sign the agreement form and proceed with the work not later than _____ under the instructions of the Engineer, _____ and ensure its completion within the contract period.

With the issuance of this acceptance letter and your furnishing the required Performance Security, the contract, for the above said work, stands concluded.

Yours faithfully,

Authorized Signature

Name and title of Signatory

Draft Contract Agreement Form

ARTICLES OF CONTRACT AGREEMENT

This deed of agreement is made in the form of agreement on _____ day _____ month _____ 20_____, between the _____ (Employer) or his authorized representative (hereinafter referred to as the first party) and _____ (Name of the Contractor), S/O _____ resident of _____ (hereinafter referred to as the second party), to execute the work of construction of _____ (hereinafter referred to as works) on the following terms and conditions.

2. Cost of the Contract

The total cost of the works (hereinafter referred to as the "total cost") is Rs. _____ as reflected in Annexure - I.

3.1 Payments under its contract:

Payments to the second party for the construction work will be released by the first party in the following manner:

On signing of agreement	:	20% of total cost
On reaching plinth level (first stage)	:	25% of the total cost
On reaching lintel level (second stage)	:	25% of the total cost
On reaching roof level (third stage)	:	15% of the total cost
Plastering and completion of whole work (fourth stage)	:	15% of the total cost

(Note-The above payment term has been drafted for construction of small school buildings; modify this suitably as required for other works)

3.2 Payments at each stage will be made by the first party:

(a) on the second party submitting an invoice for an equivalent amount;

(b) on certification of the invoice (except for the first instalment) by the engineer nominated by the first party with respect to quality/quantity of works executed in the format in Annexure - II; and

(c) upon proper and justified utilization of at least 50 % of the previous instalment and 100 % of any prior instalment.

4. Notice by Contractor to Engineer

The second party, on the works reaching each stage of construction, issue a notice to the first party or the Engineer nominated by the first party (who is responsible for supervising the contractor, administering the contract, certifying the payments due to the contractor, issuing and valuing variations to the contract, awarding extensions of time etc.), to visit the site for certification of stage completion. Within 15 days of the receipt of such notice, the

first party or the engineer nominated by it, will ensure issue of stage completion certificate after due verification.

5. Completion time

The works should be completed in _____ (months/weeks/days) from the date of this Agreement. In exceptional circumstances, the time period stated in this clause may be extended in writing by mutual consent of both the parties.

6. If any of the compensation events mentioned below would prevent the work being completed by the intended completion date, the first party will decide on the intended completion date being extended by a suitable period:

a) The first party does not give access to the site or a part thereof by the agreed period.
b) The first party orders a delay or does not issue completed drawings, specifications or instructions for execution of the work on time.
c) Ground conditions are substantially more adverse than could reasonably have been assumed before issue of letter of acceptance and from information provided to second party or from visual inspection of the site.
d) Payments due to the second party are delayed without reason.
e) Certification for stage completion of the work is delayed unreasonably.

7. Any wilful delay on the part of the second party in completing the construction within the stipulated period will render him liable to pay liquidated damages. @ Rs. *_____ per day which will be deducted from payments due to him. The first party may cancel the contract and take recourse to such other action as deemed appropriate once the total amount of liquidated damages exceeds 3 % of the contract amount.

(**Note: The amount of liquidated damages per day should be determined at 0.05 to 0.1% of the contract value of the works per day and indicated here**).

8. Duties and responsibilities of the first party

8.1 The first party shall be responsible for providing regular and frequent supervision and guidance to the second party for carrying out the works as per specifications. This will include written guidelines and regular site visit of the authorized personnel of the first party, for checking quality of material and construction to ensure that it is as per the norms.

8.2 The first party shall supply 2 sets of drawings, specifications and guidelines to the second party for the proposed works.

8.3 Possession of the site will be handed over to the second party within 10 days of signing of the agreement.

8.4 The Engineer or such other person as may be authorized by the first party shall hold meeting once in a fortnight/month **(*Choose one option)*** where the second party or his representative at site will submit the latest information including progress report and difficulties if any, in the execution of the work. The whole team may jointly inspect the site on a particular day to take stock of activities.

8.5 The Engineer shall record his observations/instructions at the time of his site visit in a site register maintained by the second party. The second party will carry out the instructions

and promptly rectify any deviations pointed out by the engineer. If the deviations are not rectified, within the time specified in the Engineer's notice, the first party as well as the engineer nominated by it, may instruct stoppage or suspension of the construction. It shall thereupon be open to the first party or the engineer to have the deviations rectified at the cost of the second party.

9. Duties and responsibilities of the second party

9.1 The second party shall:

a) take up the works and arrange for its completion within the time period stipulated in clause 5;
b) employ suitable skilled persons to carry out the works;
c) regularly supervise and monitor the progress of work;
d) abide by the technical suggestions/direction of supervisory personnel including engineers etc. regarding building construction;
e) be responsible for bringing any discrepancy to the notice of the representative of the first party and seek necessary clarification:
f) ensure that the work is carried out in accordance with specifications, drawings and within the total of the contract amount without any cost escalation;
g) keep the first party informed about the progress of work;
h) be responsible for all security and watch and ward arrangements at site till handing over of the building to the first party; and
i) maintain necessary insurance against loss of materials/cash, etc. or workman disability compensation claims of the personnel deployed on the works as well as third party claims.
j) All civil work and construction activities undertaken in the project must be guided by the Environment Impact Assessment (EIA) and fully comply with the World Bank Environmental and Social Standards (ESS). Activities must address Environmental and Social aspects, including site selection, waste management, worker safety, and community engagement to minimize impacts and promote sustainability.
f) Pay all duties, taxes and other levies payable by construction agencies as per law under the contract (First party will effect deduction (TDS) from running bills in respect of such taxes as may be imposed under the law).

10. Variations/Extra Items

The works shall be carried out by the second party in accordance with the approved drawings and specifications. However, if, on account of site conditions or any other factors, variations are considered necessary, the following procedure shall be followed:

a) The second party shall provide the Engineer with a quotation for carrying out the Variation when requested to do so by the Engineer. The Engineer shall assess the quotation, which shall be given within seven days of the request before the Variation is ordered.

b) If the quotation given by the second party is unreasonable, the Engineer may order the Variation and make a change to the Contract Price which shall be based on Engineer's own forecast of the effects of the Variation on the Contractor's costs.

c) The second party shall not be entitled to additional payment for costs which could have been avoided by giving early warning.

11. Securities

The Performance Security (Bank Guarantee from a Nationalized or Scheduled Bank in India in the format attached) shall be provided to the Employer no later than the date specified in the Letter of Acceptance and shall be issued in an amount and form and by a bank or surety acceptable to the Employer. The Performance Security shall be valid until a date 28 days from the date of issue of the Certificate of Completion in the case of a Bank Guarantee.

12. Termination

12.1 The Employer may terminate the Contract if the other party causes a fundamental breach of the Contract.

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

(a) the contractor stops work for 14 days and the stoppage has not been authorized by the Engineer;

(b) the Contractor has become bankrupt or goes into liquidation other than for a reconstruction or amalgamation;

(c) the Engineer gives Notice that failure to correct a particular Defect is a fundamental breach of Contract and the Contractor fails to correct it within a reasonable period of time determined by the Engineer;

(d) the Contractor does not maintain a security which is required;

(e) the Contractor has delayed the completion of the Works by the number of days for which the maximum amount of liquidated damages can be paid, as defined in the clause 7 of this agreement

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

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

13. Payment upon Termination

13.1 If the Contract is terminated because of a fundamental breach of Contract by the Contractor, the Engineer shall issue a certificate for the value of the work done less advance payments received up to the date of the issue of the certificate, less other recoveries due in terms of the contract, less taxes due to be deducted at source as per applicable law.

13.2 If the Contract is terminated at the Employer's convenience, the Engineer shall issue a certificate for the value of the work done, the reasonable cost of removal of Equipment, repatriation of the Contractor's personnel employed solely on the Works, and the Contractor's costs of protecting and securing the Works and less advance payments received up to the date of the certificate, less other recoveries due in terms of the contract and less taxes due to be deducted at source as per applicable law.

14. Dispute settlement

If over the works, any dispute arises between the two parties, relating to any aspects of this Agreement, the parties shall first attempt to settle the dispute through mutual and amicable consultation.

In the event of agreement not being reached, the matter will be referred for arbitration by a Sole Arbitrator not below the level of retired Superintending Engineer, PWD to be appointed by the first party. The Arbitration will be conducted in accordance with the Arbitration and Conciliation Act, 1996. The decision of the Arbitrator shall be final and binding on both the parties. The Arbitrator shall give his award/decision within 60 days of start of proceedings

15 Fraud and Corruption

The Bank requires compliance with the Bank's Anti-Corruption Guidelines and its prevailing sanctions policies and procedures as set forth in the WBG's Sanctions Framework, as set forth in the attachment to the Contract Conditions (Attachment A).

In further pursuance of this policy, Suppliers shall permit and shall cause their agents (where declared or not), subcontractors, sub-consultants, service providers, suppliers, and personnel, to permit the Bank to inspect all accounts, records and other documents relating to the RFQ and contract performance (in the case of award), and to have them audited by auditors appointed by the Bank.

Signed and delivered by Sri. _____ _____ for and on behalf of the Contractor
In the presence of the Witness:
i)
ii)

SIGNATURE

Signed and delivered by Sri _____ _____ for an on behalf of the Employer.
In the presence of the Witness:
i)
ii)

SIGNATURE

Attachment A

Fraud and Corruption

(Text in this Appendix shall not be modified)

1. Purpose

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

2. Requirements

2.1 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.

2.2 To this end, the Bank:

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

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

ii. "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;

iii. "Collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

iv. "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;

v. "Obstructive practice" is:

(e) 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

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

b. 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;

c. In addition to the legal remedies set out in the relevant Legal Agreement, may take other appropriate actions, including declaring mis-procurement, 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;

d. Pursuant to the Bank's 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;[12] (ii) to be a nominated[13] 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;

e. Requires that a clause be included in bidding/request for proposals documents and in contracts financed by a Bank loan, requiring (i) bidders (applicants/proposers), consultants, contractors, and suppliers, and their sub-contractors, sub-consultants, service providers, suppliers, agents personnel, permit the Bank to inspect[14] 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.

[12] 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.

[13] 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.

[14] 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.

Annexure I

BILL OF QUANTITIES

Sl. No.	Description of Work	Qty.	Unit	Estimated Cost		Amount
				In figure (Rs.)	In Words	

Gross Total Cost: Rs. .....

We agree to execute the works in accordance with the approved drawings and technical specifications at ..... percentage above/below the estimated rates, i.e., for a total contract price of Rs. .....(amount in figures) (Rs. ..... amount in words).

Signature of Contractor

(Where there is a discrepancy between the amount in figures and words, the amount in words will prevail)

Annexure II

Format of certificate

Certified that the works up to _____stage (as defined in clause 3.1 of the Agreement) in respect of construction of _____ at _____ have been executed satisfactorily in accordance with the terms and conditions of the agreement and as per approved drawings and technical specifications.

Signature

Name & Designation
(Official address)

Place:

Date:

Office seal

PERFORMANCE BANK GUARANTEE

(*To be given from a nationalized or scheduled bank in India)*

To: _____ *[name of Employer]*

_____ *[address of Employer]*

WHEREAS _____ *[name and address of Contractor]* (hereinafter called "the Contractor") has undertaken, in pursuance of Contract No. _____ dated _____ to execute _____ *[name of Contract and brief description of Works]* (hereinafter called "the Contract");

AND WHEREAS it has been stipulated by you in the said Contract that the Contractor shall furnish you with a Bank Guarantee by a recognized bank for the sum specified therein as security for compliance with his obligations in accordance with the Contract;

AND WHEREAS we have agreed to give the Contractor such a Bank Guarantee;

NOW THEREFORE we hereby affirm that we are the Guarantor and responsible to you, on behalf of the Contractor, up to a total of _____ *[amount of guarantee]*[1]_____ *[in words]*, such sum being payable in the types and proportions of currencies in which the Contract Price is payable, and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of _____ *[amount of guarantee]*[1] as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the Contractor before presenting us with the demand.

We further agree that no change or addition to or other modification of the terms of the Contract or of the Works to be performed there under or of any of the Contract documents which may be made between you and the Contractor shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification.

This guarantee shall be valid until 28 days from the date of expiry of the Defects Liability Period.

Signature and seal of the guarantor _____

Name of Bank _____

Address _____

Date _____