

**AGRICULTURE INPUTS COMPANY LIMITED
CENTRAL OFFICE
KULESHWOR, KATHMANDU
NEPAL**



**TENDER DOCUMENT
FOR SUPPLY AND DELIVERY OF
CHEMICAL FERTILIZER**

(DAP 18:46:0)

TENDER NOTICE NO: KPN/15/065/66

**FIRST PUBLISHED DATE : 1 APRIL 2009
LAST SUBMISSION DATE : 21 APRIL 2009**

**PHONE : 4279715, 4279716
FAX: 4278790
E-mail : aicl@ntc.net.np
Website: www. aicl.org.np**

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TENDER NOTICE
FOR SUPPLY AND DELIVERY OF CHEMICAL FERTILIZER

(First Published Date: 1st April 2009)

1. Agriculture Inputs Company Limited (AICL), Central Office, Kuleswor, Kathmandu, Nepal invites sealed Tender for the supply and delivery of DAP chemical fertilizer. The fertilizer must be delivered at CIF AICL Birjgunj warehouse basis as mentioned in the tender document.

| Tender No. | Commodity | Quantity |
|---------------|-------------|-----------|
| KPN/15/065/66 | DAP 18:46:0 | 12,500 MT |

2. Tender document including tender conditions, tender form, commodity specification and a draft copy of supply contract can be obtained on any working day during office hours on payment of Rs. 5,000/- (Rs. Five thousand, non-refundable) or equivalent convertible currency from the Central Office.
3. Fully completed sealed tender must be submitted at the Procurement Division, Central Office and obtain receipt for the same not later than 13:00 hrs Nepalese time on 21st April, 2009. Tender or any part thereof received after the stipulated time will not be accepted. Submitted sealed envelope should have following Subscribing "TENDER FOR SUPPLY AND DELIVERY OF DAP FERTILIZER, TENDER NOTICE NO. KPN/15/065/66"
4. Tenders will be opened at the Central Office in the presence of representatives of concerned Government office and tenderers at 14:00 hrs on 21st April, 2009. The bid price will be read and recorded in the presence of the tenderers or their representatives. However, tenders may be opened even if tenderers or their representatives remain absent at the scheduled time.
5. Bid bond at 2.5 percent of total tendered amount must be enclosed with the tender. Successful tenderer shall be required to furnish a performance bond at 5 percent of total quoted amount before signing the contract. Format for both bonds are given in the tender document.
6. Tenders shall be considered only if the tenderers fulfill the under-mentioned conditions. Tenders will be rejected if conditions are not fulfilled.
- a) All fertilizers should be delivered within 75 days at specified AICL Birgunj warehouse from the 7th day of the establishment of L/C.
- b) In the event of force majeure declaration in the country of the origin mentioned during the execution of the contract the supplier shall supply the goods from any other origin acceptable to AICL so as to meet delivery schedule.
- c) Tender document must be accompanied by and complied with the tender conditions. Tender will be rejected if major conditions mentioned in the tender documents are not fulfilled.
7. Local agent must mention the name of principal supplier in order to purchase tender document. Purchased tender document will be valid only for specified principal supplier.
8. Documents issued by foreign institutions must be expressed in English language.
9. The award for an agreement will be made to the tenderer, whose tender has been accepted meeting the requirements in the specification and other terms and conditions set forth in the tender document latest by 15th days from the date of tender opening.
10. Agriculture Inputs Company Limited reserves all rights to accept whole or part of any tender or reject any or all tender without assigning any reason whatsoever.

Tel : (+977 1) 42 79 715, 716
Fax: 42 78 790,
E-mail: aicl@ntc.net.np
URL: www. aicl.org.np



कृषि सामग्री कम्पनी लिमिटेड
AGRICULTURE INPUTS COMPANY LTD.

Marketing Division
Central Office
Kathmandu, Nepal

CONDITION OF TENDER

1. Each tender must be complete in true sense.
2. Incomplete tenders will automatically be disqualified.
3. Ambiguous and/or contradictory statements in the tender shall render the bid liable to disqualification.
4. Each Tender should be furnished along with the original copy of the tender document purchased from the AICL.

5. Tender:

Tenders must be complete with the information sought as per the tender forms provided in section D of the tender document in all respects and the product should confirm with the specifications set forth in section C of the tender document.

a) Sealing/Marking of Tenders:

Each Tender should be forwarded in sealed envelope and addressed to:

Marketing Division
Agriculture Inputs Company Ltd.
Central Office
Kuleshwor, Kathmandu
Nepal.

b) The envelope should be marked:

Tender for the supply and delivery of chemical fertilizer, Tender Notice No.KPN/15/065/66

The back cover of envelope should bear the name and address of tenderer.

6. Local Agent:

- a) The tender must be submitted by Nepalese Agents for foreign principal/manufacturers or suppliers. The agent shall submit with tender a firm registration certificate and an authorization letter from their principal duly authorizing them as their agent in Nepal for the supply of goods covered by this tender. Furthermore, authorization letter should also authorize the agent to act for and on behalf of the principal in all matters regarding the supply of goods under this tender.
- b) Foreign tenderers submitting the tender through their local representatives or agents in Nepal must declare the name and the address of local agents, the rate of agency commission and benefit offered, mode of payment to the local party etc; in detail along with tender. Such representative firm must be registered under the law of Nepal and a copy of the relevant registration documents must be attached along with the tender.

7. Validity of Tender:

- a) The tender, including the prices etc. quoted therein should be valid for a period of at least 21 days from the date of opening of the tender. In case 21 days are not enough for the final decision of the tender, the tenderer must be prepared to extend the validity of tender upon intimation of Agriculture Inputs Company Limited.
- b) Tenderer must enclose bid bond with the tender at 2.5% of the total tendered amount i.e. the cost of entire consignment in favour of AICL. The bid bond should be furnished in the form of Cash deposit in AICL's account in Nepal Rastra Bank A/C. Bai. A. 610016 or a first class unconditional Bank guarantee drawn in favour of AICL by Nepalese Bank. Bank drafts will not be accepted. Bid bonds of unsuccessful tenderers will be released within 15 working days after the date of award of contract. No interest or commission of any kind will be given by AICL. Bid bonds should be valid for at least 60 days after the date of opening of tender. The tender should be accompanied by the original copy of the bid bond; format of the bid bond is annexed herewith. Non-submission of the required bid bond along with the bid will render to automatic disqualification of the tender.

8. Manufacturer's Confirmation:

- a) The Tenderer should submit a written confirmation from manufacturer stating the guarantee to supply the goods as per the specification and quantity mentioned in the tender document.
- b) Only those countries of origin will be acceptable for which manufacturer, analysis and non-contamination certificates have been submitted with the Tender Document.

9. Analysis Test Report:

Tenderers with their tenders should furnish detail description and specifications of the materials offered together with analysis certificates.

- a) Presented analysis report should be supported by the test report issued by government approved independent testing laboratory along with the related documents.
- b) The original copy of up to date test report bearing official seal and signature should pertain to the offered materials and should be issued by the government approved independent testing laboratories. Non-submission of the proper type of test report for the offered materials along with the tender document shall render the bid liable to rejection.

10. Certificate of Non-Contamination:

The tenderer along with the tender should also submit a certificate issued by the government approved testing laboratories that the fertilizer to be supplied under this tender is free from contamination of any radio-active element and fit for agricultural use.

11. Receiving and Opening of Tenders:

- a) Sealed tenders will be received on or before 13:00 hours of 21 April, 2009.
- b) Tenders received on time will be opened in public at 14:00 hours on 21 April, 2009 at Central Office, Kathmandu. Tenderers or their representative may be present at the time of opening of the bids. However tender may be opened even if bidder or their representative remains absent at the scheduled time.

12. Bid Prices:

The tenderer should quote CIF AICL Birgunj warehouse price in US dollars for countries other than India origin and Indian Rupees for India origin.

13. Bid Comparison:

Bid price will be valued in terms of a single currency i.e. Nepalese Rupees for evaluation. The rates of exchange to be used in such evaluation will be selling rates officially prescribed by Nepal Rastra Bank for similar transaction and prevailing on the date of opening of the tender.

14. Performance Bond:

Before signing the contract, supplier should submit a Performance Bond at the rate of 5% of total delivery price within 7 (Seven) days from the date of receipt of letter of acceptance of Tender. The Performance Bond must be issued by Nepalese Bank. The Performance Bond should be a first class clean irrevocable and unconditional bank guarantee. Format of performance bond is annexed herewith.

15. Signing of the Contract:

The successful tenderer shall have to sign the contract within 10 days from the date of receipt of letter of acceptance.

16. Forfeiture of Bid Bond:

Bid bond shall be forfeited if:

- a) Tenderer withdraws his offer within the validity period of tender, or
- b) Tenderer fails to submit performance bond as specified in clause 14 or,
- c) Tenderer fails to sign the contract within stipulated time in clause 15 above.

17. Bid bond will be released after signing of the contract.

18. Delivery of Goods:

All the fertilizer should be delivered at AICL Birgunj warehouses shed within 75 days from the date of establishment of letter of credit (Please see Clause 7 Conditions of Contract).

Note: 1 (one) percent spare bags should be delivered at AICL Birgunj warehouse free of cost

19. Prohibition of communication alterations etc.

Communication of any kind from the tenderers unless specifically called for by AICL shall not be entertained from the date of the opening of tenders till the time of the award of contract. Any application by the tenderer for increase or decrease in price quoted, or any change in the terms stipulated, or any alterations in the specifications of the goods offered or change in the manufacturer shall not be entertained after the submission of the tenders.

20. Tenders may be rejected if the conditions stipulated are not fulfilled.

21. Payment:

- a) Payment will be made through letter of credit in US Dollars or relevant currencies agreed upon as per charter of Asian Clearing unit in a manner stipulated in the clause 4 and 5 of the conditions of contract.
- b) AICL will intimate supplier about the establishment of letter of credit. It shall be the responsibility of the supplier to contact the corresponding bank in the respective country and obtain the same and inform AICL on any major discrepancies and request for amendment within 7 days from the date of establishment of letter of credit

22. AICL's Right :

- a) Agriculture Inputs Company Limited reserves the right to accept whole or part of any tender. The part tender shall mean any part/parts of total quantity tendered.
- b) The AICL reserves the right to reject any or all tenders without assigning any reasons whatsoever.

SPECIFICATION

1. Specification of Fertilizer & Quantity Required :

DAP 18:46:0

- | | |
|--|---|
| i) Physical Condition : | |
| a) Description | Free flowing, granules. |
| b) Particulate Size | 90 % of the materials shall pass through a 4 mm IS sieve and shall be retained on a 1 mm IS sieve. Not more than 5% shall be below than 1 mm size |
| Chemical Composition | |
| a) Total Nitrogen, Percent by weight: | 18% Minimum |
| b) Ammoniacal Nitrogen, percent by weight : | 17% Minimum |
| c) Total Phosphorus (as P ₂ O ₅) percent by weight: | 46% Minimum |
| d) Water Soluble Phosphates (as P ₂ O ₅) percent by weight: | 41% Minimum |
| e) Moisture, Percent, by weight: | 1.5% Maximum |
| I) Quantity: | 12,500 MT nett (± 5 % shipping tolerance) |
| II) Packing: | Bagged 50 Kg Nett Bagged at the port of shipment or in Manufacture's premises. |

2. Specification of Bags:

The fertilizer should be packed 50 kg. nett in polypropylene woven bags with polyethylene inner bags. Weight of the outer polypropylene bag and gauge & weight of inner polyethylene bag should not be less than 200 gms and 200 gauge (50 micron) 63 gms respectively. Size of the bag should be 40" x 22" and fiber construction of outer bag should be not less than 10 x 10 per square inch. The bags should be stitched with strong synthetic thread.

Spare bags should also follow same Specification.

Bag marking

ONE SIDE

DAP 18:46:0

50kg. Nett: 50.263Kg Gross

AICL NEPAL

FOR MANURING PURPOSE

USE NO HOOKS

IN TRANSIT TO NEPAL

Manufacturer's Name:

Year of Manufacturer:

Country of Origin:

OTHER SIDE



कृषक डि.ए.पी.

IMPORTED & MARKETED BY

**s[lif ;fdu|L sDkgL lnld^]*
g]kfn**

Contract No.:

Note: Spare bags may be used for any sweeping or repacking. However a certificate from concerned authorities must be submitted showing the number of spare bags so used. For any shortage of spare bags except used in repacking or sweepings US \$ 1.00 for each bag will be realized from the supplier.

TENDER FORMS

The Managing Director,
Agriculture Inputs Company Limited
Central Office
Kathmandu, Nepal

Sub: **Tender for Supply and Delivery of Chemical Fertilizer.**

Sir,

In response to your Tender notice published in The Rising Nepal dated 1st April, 2009 for the supply and delivery of 12,500 Mt of DAP chemical fertilizer on CIF Nepal Birgunj warehouse delivery basis;

- 1) I/We hereby offer to supply and deliver chemical fertilizers to the specifications and quantity as noted in Section 'C' and rates are as quoted in attached Appendix.
- 2) I/We have read the **condition of Tender** included as Section 'B' of the tender document and agree to abide by the said conditions.
- 3) I/We have read the **draft contract** included as Section 'E' of the tender document and agree to sign the said contract within 10 (ten) calendar days from the date of receipt of letter of acceptance of this tender.
- 4) A Bank guarantee ofdate issued byBank in favour of Agriculture Inputs Company Limited is attached herewith.
- 5) I/We agree to the bid bond being forfeited without prejudice to any acts, rights or remedies if I/We fail to submit required performance Bond within stipulated time, or I/We withdraw our offer before expiry of validity of tender or fail to sign contract within stipulated time.
- 6) Until the formal supply and delivery contract is signed, acceptance of this tender shall constitute a binding agreement between us subject to the restriction as may be mutually agreed to and as indicated in the letter of acceptance of my/our tender.

Yours Faithfully,

(Signature of the Tenderer)

Designation:

Name of the Tenderer:

Address :

Date :

Seal :

BID FORM

(Tender Notice No. KPN..)

| Item | Quantity | CIF AICL Birgunj warehouse basis price per MT in US\$/ Indian Rs. | Country of Origin |
|---|-----------------|--|--------------------------|
| DAP | 12,500 mt. nett | In Figure: In words: | |
| Local Agent : Name : Address: Commission to local Agent : | | Signature of Tenderer: Name: Address: Seal: | |
| A. Mode of Commission Payment: | | | |
| B. Payment Currency: Price of India origin fertilizers will be paid in Indian currency only. | | | |
| Note: 1% spare bags will be supplied free of cost. | | | |

Conditions for Local Agents:

The local agent must furnish a copy of the tax clearance certificate, VAT registration certificate and renewed agency registration certificates from the concerned office of government of Nepal along with the tender documents.

LETTER OF ACCEPTANCE

Ms.....
.....
.....

Dear Sir,

We are pleased to inform you that your Tender datedfor the supply and delivery ofmt of.....fertilizer has been accepted as per AICL's tender condition.

1. The total amount of your all inclusive accepted tender price on CIF AICL Birgunj warehouse delivery basis is US\$/IRs (in words.....).
2. You are requested to submit required Performance Bond for the signing of contract as per Tender condition.
3. This letter is sent to you in duplicate. Please return the copy duly signed and witnessed, where indicated, to this office and retain the original.

Sincerely yours,

(AICLs' Signature)

Name :

Designation:

Seal:

The undersigned hereby acknowledge receipt of the above letter, original of which has been retained, and confirms that no terms, conditions or stipulations additional to those mentioned in the Tender document have been imposed by the issuance of this letter.

(Supplier)

Name :

Address:

Seal:

Date:

(Witness)

Name:

Address:

Date:

**CONTRACT FOR SUPPLY AND DELIVERY
OF
..... CHEMICAL FERTILIZERS
CONTRACT NO.**

This agreement is signed on this ...day of... 2009 between Agriculture Inputs Company Limited of Nepal having its registered Office at Kuleshwor, Kathmandu, Nepal (hereinafter called AICL, or the "BUYER" which expression shall unless the context otherwise requires include its successors and assignees) on the one part;

AND

Ms having its registered office at (hereinafter called "SUPPLIER" which expression shall unless the context otherwise requires include its successors and assignees) on the other part;

Whereas, the SUPPLIER has submitted tender on2009 as per attached appendix;

Whereby, the supplier has undertaken to supply and deliver chemical fertilizers (hereinafter called the "goods") to AICL at AICL Birgunj warehouse delivery basis with insurance up to AICL warehouses in Nepal.

Whereas, AICL has accepted the said tender by its letter of acceptance to the SUPPLIER on2009.

Now, therefore, both Parties hereby agree and covenant as to honoring the following terms and conditions of this agreement.

1. For the consideration hereinafter mentioned, the SUPPLIER will upon and subject to the conditions annexed hereto and within the time stipulated therein, complete the supply of goods and deliver the same at CIF AICL Birgunj warehouse delivery basis.
2. AICL will pay the SUPPLIER at US\$ per Metric ton on AICL Birgunj warehouse basis with insurance up to AICL warehouses in Nepal totaling US\$ (*in words..... only*) for Mt. of
3. The term CONTRACT wherever used herein and in all CONTRACT document shall mean the forming and the acceptance thereof, together with the tender referred thereto including the conditions annexed hereto and the specification.
4. The terms SUPPLIER wherever used herein shall mean the person or persons, partnership, firm or company whose tender has been accepted and who has or have signed this CONTRACT shall include his or their executors, administrator, assigned successors and duly appointed representatives.
5. The SUPPLIER will be fully responsible for the execution of this CONTRACT.

The contracting parties in the presence of the witness duly signed this contract.

(Supplier's Signature)
Name:

Designation:
Date: 2009
Seal:

(AICL's Signature)
Name:

Designation:
Date: 2009
Seal:

Witness:

Name:

Signature:

Designation:

Date: 2009

Seal:

Name: Agriculture Inputs Company Limited

Signature:

Designation:

Date: 2009

Seal:

CONDITIONS OF CONTRACT

1. Scope of Contract:

The SUPPLIER shall carry out the supply and delivery of all goods in accordance with this CONTRACT in every respect to AICL.

2. The supplier shall have to provide 5 (five) percent performance bond of the total CIF value before or at the signing of the contract. Such performance bond shall be in the form acceptable to AICL and shall be issued or countersigned by a Commercial Bank of repute in Nepal valid for a minimum of six months from the date of signing of this Contract subject to renewal for an extended period at the request of AICL.

3 a. Performance Bond may be forfeited if:

- i. The Supplier fails to deliver the goods in time; or
- ii. The specifications of fertilizer supplied is not in conformity with the contract Agreement
- iii. Any condition stipulated in contract is not complied with.

b. Release of Performance Bond

Performance Bond will be released only after all the fertilizers under Contract have been delivered at AICL Birgunj warehouses in Nepal.

4 Payment:

The payment as per this Contract will be made through an irrevocable and payable at sight documentary letter of credit issued for MT for the value of USD by a recognized Bank in the Buyer's Country at the expense of the Buyer within 15 working days after signing of this Contract.

All bank charges, commissions at Buyer's bank and local taxes and import duty of Buyer's country will be in Buyer's account. All bank charges and commissions at seller's bank will be borne by the supplier.

The documentary letter of credit is subject to the Uniform Rules and Practice for Documentary Credits, 1993 revision, issued by the ICC, publication 500.

95% of total CIF price will be paid to the Supplier in US Dollars through an irrevocable at sight L/C on presentation of following shipping documents in triplicate, and a copy by fax to the buyer.

- i. Original commercial Invoices:
- ii. Full set of ocean bill of lading marked "freight prepaid" and clean on board issued to the order of "as per terms of letter of credit" and consigned to "as per terms of letter of credit" evidencing the goods consigned.
- iii. Original certificate of manufacturer certifying quality of goods.
- iv. Original Certificate of Country of Origin issued or endorsed by the chamber of commerce.
- v. Original insurance policy insurance certificate covering all marine risks and non delivery including TPND, SRCC, water damage etc
- vi. Charter party Agreement (if any)
- vii. Original Certificate of quality, quantity, non-contamination and fit for Agriculture use issued by SGS.
- viii. Packing list showing gross/net weight and number of ocean bill of lading.
- ix. Shipping company statement confirming that the age of vessel does not exceed twenty (20) years.
- x. Certificate of hold and hatch cleanliness issued by SGS
- xi. Certificate of non radiation issued by SGS

Balance 5% payment (after necessary deduction, if any) will be made after all the fertilizers are successfully delivered in AICL Birgunj warehouses in Nepal on instruction of AICL through letter of credit.

Note 1. L/C confirmation and all other charges outside Nepal will have to be borne by the supplier. AICL will not be responsible for the add confirmation outside of Nepal.

2. AICL will intimate suppliers about the establishment of letter of credit and, it shall be the responsibility of the supplier to contact the corresponding bank in the respective country and obtain the same and inform AICL on any discrepancies and request for amendment within 7 days after establishment of the L/C.

5. Letter of credit terms

- Partial shipment and transshipment not allowed.
- Shipping documents presented within 21 (twenty-one) days after the date of the bill of lading but within letter of credit validity are acceptable.
- Quantity and amount of letter of credit ($\pm 5\%$) percent allowed.
- Documents wording (pct) or (%) or (0/0) or (percent) is acceptable.
- All the documents in languages other than English must be accompanied with and by the official English translation.
- Amendment charges will be at faulty party's account.

6. Shipment

The latest date of loading and shipment shall be 35 days from date of opening of L/C in accordance with this contract. The shipment date shall be counted from the seventh day of the establishment of L/C. Unless otherwise proved, the date of the bill of lading shall be considered as the date of shipment.

Failure to above shall lead to forfeiture of performance bond and cancellation of contract.

7. Delivery of Goods

1. Final destination: AICL Birgunj warehouse in Nepal.
2. All the fertilizers are to be delivered at AICL Birgunj warehouse within 75 days from the date of opening of Letter of Credit. The delivery date shall be counted from the seventh day of the establishment of L/C.

Note: 1% spare bags should be delivered at AICL Birgunj warehouse in Nepal.

8. Vessel discharge & terms of delivery

Within 3 working days after the vessel's departure from port of loading, the supplier's shipping agent shall advise the buyer by fax and e-mail about the following:

- Vessel's sailing date
- Name of the steamship
- Name and Number of the vessel
- Flags of the vessel
- Name of the ship's captain
- Tonnage of the vessel
- Ocean Bill of lading number
- Net quantity loaded
- Number of hatches on vessel
- Estimated time of arrival at the port of discharge

The supplier or the vessel master shall give 20 (twenty) days and 7 (seven) days provisional notice and 72/36/24 hour final of vessel's estimated time of arrival at the port of destination to the buyer and buyer's agent at the port of discharge. Such notice shall be effected during normal business hour and whether in berth or not.

When all the goods are delivered in AICL Birgunj warehouse, it will be considered as delivered.

9. Other contract conditions

Shipment shall be in vessels classified Lloyds 100-1A or equivalent. Supplier shall nominate vessel minimum 05 (five) days before ETA for loading.

10. Clearing of Goods:

- a. The Supplier will be responsible to avail all necessary documents necessary for cleaning of GOODS at Haldia / Kolkatta port shed and AICL Birgunj.
- b. Supplier should inform three week prior to the departure of the vessel from dispatch port and send one set of dispatch documents by fax & DHL.

11. Terms of Force Majeure

Force majeure is defined as situation/condition such as acts of god, storms, fire, war, civil war, military action, government emergency orders, strike as well as transportation accident, earthquake, tidal waves etc. The valid force majeure clause of the ICC is applied to this contract (international provisions of force majeure published by ICC).

Should the effect of the force majeure continue for more than 45 consecutive days, the Buyer and the Supplier shall discuss through friendly negotiation as soon as possible their obligation to continue performance under the terms and conditions of this contract.

In case of force majeure the Supplier is entitled to an extension of the time of delivery provided;

- i. That within 10 days after occurrence of a case of force majeure, the Supplier informs AICL in writing that he considers himself entitled to an extension of the time limit;
- ii. That he produces evidence of the days of occurrence and of the duration of the force majeure in an adequate manner (for example by means of documents approved by the government and local authorities);
- iii. That he proves that the delay occurred is not due to his own action or omission.

However, the Supplier shall be responsible for the delayed delivery of goods due to any Governmental procedure outside Nepal. Such delay in government procedure outside Nepal cannot be construed as force majeure. The cost, which may incur due to such delay, shall be borne by the Supplier.

If any force majeure occurs in the country of origin mentioned in this contract, then supplier will have to deliver goods from any other origin acceptable to AICL so as to meet delivery schedule.

12. Execution of the contract

Each of the parties to this contract represents that it has full legal authority to execute this contract and that each party is to be bound by the terms and conditions as set forth herein. This contract represents the entire agreement between the parties and any change will be made in writing, executed by both parties.

13. Liquidated damage / penalty

In the event of the Supplier failing to complete the supply of the goods under this contract on or before the date for completion or before any extended date as hereinafter provided, except in such circumstance provided for in clause 11 the Supplier will pay liquidated damage at the following rates which will be realized from the balance payment or any deposit of Performance Bond or any money payable to the supplier.

- i. for delay of 1 to 15 days – 0.5% of CIF value of delayed quantity
- ii. for delay of 16 to 30 days – 1.0% of CIF value of delayed quantity
- iii. for delay of 31 to 45 days – 1.5% CIF value of delayed quantity
- iv. for delay of over 45 days – 5% of CIF value of delayed quantity.

14. Certificate of Inspection

Societe Generale De Surveillance (SGS) at sellers cost shall inspect commodity at the place of loading. SGS shall issue an inspection certificate of quality and quantity of the fertilizer to certify that the goods are in good order and condition and being confirm to the specifications herein stated. The certificate of non contamination should also be issued by SGS based on appropriate test of actual goods. Expenses incurred for such inspection shall be the Supplier account.

However, on arrival of fertilizer at unloading point at AICL Birgunj warehouse, AICL shall inspect the fertilizer by SGS or other third party independent authorized surveyor. In case AICL wish to test the goods upon arrival, such test should be completed within 21 days of the delivery of the goods at AICL Birgunj warehouse.

In case if the goods are claimed to be not in conformity with required specification, AICL will evidence with reference thereto. In case it is proved, Supplier will be responsible to substitute the said fertilizer by required quality free of cost otherwise payment will be withheld.

15. Insurance

Goods should be insured up to final destination i.e. AICL warehouse in Birgunj Nepal at its total CIF AICL Birgunj warehouse price plus 15% of sum against all risks including TPND, SRCC, water damage etc. The validity of insurance policy must be at least 90 days after final date of discharge at Kolkotta/Haldia port. Any excess limit clause in insurance policy will not be acceptable.

For any shortage / damage / non-delivery ascertained by the surveyors, AICL will deduct its insured value from balance payment / P. Bond. This deducted amount will be refunded upon realization of claim from insurance company. The procedure for insurance claim by the buyer will be supported by the supplier.

Spare bags may be used for any sweeping or repacking. However a certificate from concerned authorities must be submitted showing the number of spare bags so used. For any shortage of spare bags except used in repacking or sweeping US \$ 1.00 for each bag will be realized from the Supplier.

16. Settlement of Dispute and Contract Arbitration:

If any dispute happens, the two parties agree to try their utmost to solve it by friendly negotiation. If the dispute proves impossible to settle within a period of 30 days from the date of notice by either party, all disputes arising out of or in connection with the present contract shall be finally settled under UNCITRAL Arbitration Rules as at present in force. The Venue of Arbitration shall be Kathmandu Nepal. English language shall prevail for arbitration purpose.

The forfeitures of the performance bond as per the conditions of contract shall not be under the jurisdiction of Arbitrator and cannot be arbitrated upon.

17. Applicable Laws and Definitions

This Contract shall be governed and interpreted in accordance with the Laws of Nepal.

18. Miscellaneous

Upon signing this contract all previous negotiations/correspondence, if any, is to be considered null and void. Changes to the terms and conditions of this contract must be in writing and agreed to in writing by all parties involved. This contract shall be legal and binding upon signature of the hard copies. Carbon copies cannot be used and will not be accepted.

Date :

BID BOND GUARANTEE

AGRICULTURE INPUTS COMPANY LIMITED

Central Office
Kuleshwor, Kathmandu
Nepal.

Ref:

In consideration of your allowing M/s..... (the bidder) to participate in your Tender for the supply and delivery of Chemical Fertilizer Tender Notice No....., we hereby irrevocably and unconditionally guarantee to you that in the event of the bidder being awarded the contract and failing to take up their obligations there under, we will, on your first written demand, pay you a sum of Rs.(Rs. only) notwithstanding any contestation by the Bidder or any other third party.

This guarantee shall remain effective and in full force formuntil the close of banking hours on Unless a demand in writing by you to us reaches us by such time, all our obligations hereunder shall cease and we shall not entertain any claim, counter-claim or contestation beyond and after our liability under this guarantee is restricted to Rs..... (Rsonly).

.....
(Authorized Signature)

For.....Bank
Kathmandu, Nepal

Date :

PERFORMANCE BOND

AGRICULTURE INPUTS COMPANY LIMITED

Central Office
Kuleshwor, Kathmandu
Nepal.

Ref:

Whereas; M/S.having its registered office at
..... (hereinafter called the supplier) have participated in the tender KPN/... for
the supply and delivery of chemical fertilizers and you have accepted their tender and requested for signing the
contract, and

Whereas; you require from the supplier, a performance Bond for an amount of Rs.
(Rupees only) we, Kathmandu, Nepal (the
Guarantor) hereby agree an covenant as follows:

In the event of the supplier failing to perform their obligations under the Contract for any reason whatsoever, the
Guarantor shall pay without demur a sum or sums up to Rs. only)
against your receipt for the sum claimed accompanied by your statement that the Supplier failed to comply with the
contract terms, notwithstanding any contestation by the supplier or any other party.

Notwithstanding anything contained here in above, our liability under this guarantee is restricted to Rs.....
(Rs..... only) and shall remain in full force until the close of banking hours on
.....2009 or on completion of Contract whichever is earlier.

Unless a demand or claim made in writing by you to us under this guarantee reaches us by that date, all our
obligations hereunder shall cease and we shall not entertain any claim beyond or after that date.

.....
(Authorized Signature)

For.....Bank
Kathmandu, Nepal