



BIDDING DOCUMENT
For
Hiring of Earth Moving Equipment for
Dzongthung Stone Quarry,
State Mining Corporation Limited

December, 2025



CONTENT

SECTION I – LETTER OF INVITATION (LoI).....	1
SECTION II – INSTRUCTIONS TO BIDDERS(ITB).....	3
SECTION III – BID DATA SHEET	11
SECTION IV: BID FORMS	16
A. TECHNICAL BID FORMS.....	16
FORM TECH – 1: Technical Bid Submission Forms	17
FORM TECH – 2: Integrity Pact Statement.....	18
FORM TECH – 3: Bidder's Information.....	21
FORM TECH – 4: Curriculum Vitae (CV) for Supervisor/ Manager/Staff	22
FORM TECH – 5: EME Details: Age and Ownership.....	24
FORM TECH – 6: BID SECURITY SPECIMEN.....	25
B. FINANCIAL BIDS FORMS	26
FORM FIN – 1: Financial Bids Submission Form	26
FORM FIN – 2: Price Schedule	27
SECTION V: SCOPE OF THE SERVICES/ TERMS OF REFERENCE (TOR).....	28
SECTION VI: PERFORMANCE SECURITY SPECIMEN	29
SECTION VII: THE CONTRACT.....	30



SECTION I – LETTER OF INVITATION (LoI)

SMCL/HRAD/PROC-01/2025/ 10774

Date: 26/12/2025

Dear Sir/Madam,

The SMCL invites Bids for 'Hiring of Earth Moving Equipment (EME) for Dzongthung Stone Quarry, Bartsham Gewog, Trashigang Dzongkhag' for the following items;

1. Item No.1: Excavators
2. Item No.2: Tippers

For more details see the *Scope of the Services/Terms of Reference (TOR)* in Section V.

The Bids shall include all required information and documents as mentioned in the Bid Data Sheet.

A bidder will be selected under Quality and Cost Based Selection (QCBS) and procedures described in this LoI. The Submission and Opening details are given below as per the following schedule:

LoI	:	Hiring of Earth Moving Equipment (EME) for Dzongthung Stone Quarry, Bartsham Gewog, Trashigang Dzongkhag
Bidding Documents shall be available from	:	From 26/12/2025 From 2:00PM
Bid submission deadline	:	05/01/2026 by 2:00PM
Bid opening date & time	:	On 05/01/2026 at 2:30PM at SMCL, Corporate Office, Samtse
Bidding Documents shall be available at	:	Website: www.smcl.bt

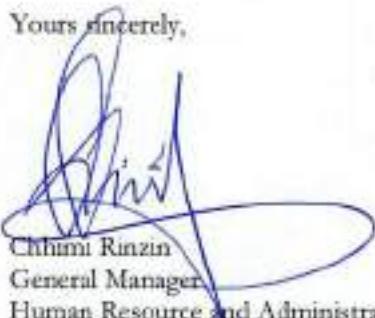
The Bids shall be submitted at address (or email address, if applicable,) given below and shall be opened in the presence of Bidders representatives who choose to attend. The procedural requirements for responding to this invitation are provided in the complete Invitation to Bids Document, which includes the following:

- a) Section I - Letter of Invitation (LoI)
- b) Section II - Instructions to Bidders (ITB)
- c) Section III – Bid Data Sheet
- d) Section IV – Bids Forms: A) Technical Bid and B) Financial Bid
- e) Section V – Scope of Services/Terms of Reference (TOR)
- f) Section VI – Performance Security Specimen
- g) Section VII-The CONTRACT



Bidders shall not include any information on the estimated cost or financial terms of your services in the technical Bid. For further clarification, please contact GM, Operations & Mines Division, SMCL, Samtse at gm.operations@smcl.bt or 05-365882 / +975 77244144.

Yours sincerely,


Chhimi Rinzin
General Manager
Human Resource and Administration Division
SMCL, Samtse



SECTION II – INSTRUCTIONS TO BIDDERS (ITB)

1. Definitions

1.1. The following words and expressions shall have the meaning hereby assigned to them except where the context otherwise requires.

- a) **Award of Contract:** The decision of the Companies to enter into a contract with a Bidder for delivery of specified Services which has been conveyed to the Bidder through a letter of Acceptance/ Letter of Award / Notification of Award and/or Signing of a contract/Purchase Order/Supply Order.
- b) **Bid Data Sheet:** Such part of the Instructions to Service Providers used to reflect specific assignment conditions.
- c) **Bidder:** It refers to Service Providers making an offer to the Company for providing services described in the Scope of Service.
- d) **Bids:** An offer to render services in accordance with the terms and conditions set out in the bid documents inviting such offer. The term "tender" is synonymous with the term "Bid".
- e) **Company:** This refers to the SMCL applying this Document. The term "Procuring Company" is synonymous with the term "Company".
- f) **Contract:** A legally binding agreement in writing entered into between the Company and the Bidder or Service Provider on acceptable terms and conditions and which are in compliance with all the relevant provisions of the relevant laws.
- g) **Earth Moving Equipment (EME):** refers to any equipment, including vehicles and any transport/ conveying system, that involve in digging, loading, hauling, handling and transport of minerals and/or mine waste at a mine and related sites.
- h) **Evaluation Committee:** Committee that has the responsibility to evaluate the bid opened by the Tender Committee and present the evaluation report to the Tender Committee for award of the contract
- i) **Instructions to Bidder:** The document which provides the Bidder/Service Providers with all the information needed to prepare their Bids.
- j) **Letter of Invitation (LoI):** A letter stating the intention of the Company to enter into a contract to procure Services and inviting them to submit a Bid for such Services.
- k) **Services:** The work to be performed by the selected Bidder pursuant to the Contract.
- l) **Terms of Reference (TOR):** The section in this SBD, which defines the objectives, goals, scope of work, activities, tasks, responsibilities of the Company and the Service Provider, required deliverables of the assignment, as well as background information (including a list of existing relevant studies and basic data) to facilitate the Bidder's preparation of their Bids.

2. Introduction

- 2.1 The Company will select a Bidder in accordance with the QCBS method.
- 2.2 The Bidders are invited to submit a Technical Bid and a Financial Bid, as specified in the Bid Data Sheet.
- 2.3 Bidders should familiarize themselves with local conditions and take these into account in preparing their Bids, if necessary. To obtain first- hand information on the assignment and local conditions,



Bidders are encouraged to attend a pre-Bid meeting, if it is specified in the Bid Data Sheet or contact the focal person specified in the LoI.

2.4 Bidders shall bear all costs associated with the preparation and submission of their Bids.

3. Conflict of Interest

3.1. Bidders have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interests of the Company, or that may reasonably be perceived as having this effect. Failure to disclose said situations may lead to the disqualification of the Bidder or the termination of the contract.

4. One Bid per Bidder

4.1. Bidders may only submit one Bid. If a Bidder submits or participates in more than one Bid, such Bid shall be disqualified.

5. Bid Validity

5.1. The Bid Data Sheet indicates how long Bidder's Bid must remain valid after the submission date. The Company will make its best efforts to complete the bidding process within this period. However, the Company may request Bidders in writing to extend the validity period of their Bids.

6. Exclusion of the Bidder

6.1. A Bidder shall not be permitted to submit a Bid or to be awarded a Contract under any of the following circumstances:

- a) it is insolvent or is in receivership or is a bankrupt or is in the process of being wound up, or has entered into an arrangement with creditors; or
- b) its affairs are being administered by a court, judicial officer or by an appointed liquidator; or
- c) it has suspended its business, or is in any analogous situation arising from similar procedures under the laws and regulations; or
- d) it has been found guilty of professional misconduct by a recognized tribunal or professional body; or
- e) it has not fulfilled its obligations with regard to the payment of taxes or other payments due in accordance with the laws of the Kingdom of Bhutan; or
- f) it is or has been guilty of serious misrepresentation in supplying information in its tender or in the prior process leading to it being classified as a shortlisted Bidder; or
- g) it has been convicted for fraud and/or corruption by a competent authority; or
- h) it has not fulfilled any of its contractual obligations with the Company in the past; or
- i) it has been debarred from participation in public procurement by any competent authority as per law or as per DHI procurement manual.



7. Contents, clarification and amendment of Bid documents

- 7.1. Bidders may request a clarification of any part of the Bid documents up to the number of days indicated in the Bid Data Sheet before the Bid submission date. Any request for clarification must be sent in writing to the Company's address indicated in the Bid Data Sheet. The Company will respond in writing and upload the same in the Company website.
- 7.2. At any time before the submission of Bids, the Company may amend the LoI by issuing an addendum in writing. The addendum shall be uploaded in the Company website. To give Bidders reasonable time in which to take an addendum into account in their Bids, the Company may, if the addendum is substantial, extend the deadline for the submission of Bids.
- 7.3. A pre-Bid meeting may be conducted only if strictly necessary to clarify doubts and concerns of the Bidders prior to submission of Bids and shall be accordingly mentioned in the Bid Data Sheet. Minutes of the pre-Bid meeting shall be circulated to all the Bidders and uploaded in the Company website.

8. Bid Security

- 8.1. The Bidder shall furnish, as part of its Bid, a Bid Security in original form, denominated in the currency and in the amount specified in the Bid Data Sheet.
- 8.2. The Bid Security shall:
 - a) at the Bidder's option, be in any of the following forms:
 - i. a Cash Warrant; or
 - ii. a Demand Draft; or
 - iii. Banker's Cheque/Cash order; or
 - iv. Unconditional Bank Guarantee as per Form TECH 6 of Section IV (Bid Security Specimen)
 - b) be issued by a financial institution of Bhutan or any foreign bank acceptable and enforceable in any financial institution of Bhutan;
 - c) be promptly payable upon written demand by the Company in case any of the conditions listed in ITB 8.6 are invoked;
 - d) remain valid for a period of thirty (30) days beyond the end of the validity period of the Bid, as extended, if applicable, in accordance with ITB Clause 5: Bid Validity. Accordingly, the Bid Security shall remain valid till the date specified in the Bid Data Sheet.
- 8.3. The Bid Security is to be submitted in a separate enclosed envelope. Any Bid not accompanied by adequate Bid Security and validity shall be rejected by the Company as non-responsive.
- 8.4. No interest shall be paid by the Company on the Bid Security.
- 8.5. The Bid Security shall be returned to successful and unsuccessful Bidders as promptly as possible upon signing of the Contract Agreement.
- 8.6. The Bid Security shall be forfeited:
 - a) if a Bidder withdraws its Bid as a whole or in part during the period of Bid validity; or
 - b) if the selected Bidder fails to sign the Contract in accordance with ITB Clause 20 & 21: Award of Contract and Signing of Contract.



9. Technical Bid Format and Content

9.1. Bidders are required to submit a Technical Bid. The Bid Data Sheet may indicate the format and prescribe details of information in the Technical Bid to be submitted. The Technical Bid shall, among other things, provide the information indicated in the following:

- a) Bidders' information including valid trade license number and tax clearance certificates.
- b) The experience of the staff including supervisor or manager. It must be attached therewith documentary evidenced as specified in the data sheet or the CV.
- c) Duly executed Integrity Pact Statement.
- d) Details of the EME and ownership.

10. Financial Bids

10.1. The Financial Bid shall be prepared using the attached Financial Standard Forms (Section IV-B). The Bid Data Sheet indicates the format of the Financial Bid. It shall include the price of the hiring service, for example rate per hour of EME based on the description or specification of various EME.

10.2. All prices shall be quoted in Ngultrum. The quoted price shall be inclusive of all related costs including staff salary, fuel, repair and maintenance, taxes, duties and other levies.

11. Submission of Bids

11.1. The original Bid (Technical Bid and Financial Bid) shall contain no interlineations or overwriting, except as necessary to correct errors made by the Bidder itself. The person who signed the Bid must initial such corrections. Submission letters for the Technical and Financial Bids shall respectively be in the format of FORM TECH-1 of Section IV and FORM FIN-1 of Section IV.

11.2. An authorized representative of the Bidder shall initial all pages of the original Technical and Financial Bids. The authorization shall be in the form of a written power of attorney accompanying the Bid or in any other form adequately demonstrating and satisfying the Company that the representative has been duly authorized to sign.

11.3. The Bids shall be submitted to the address provided in the Bid Data Sheet and in the number of copies indicated in the Bid Data Sheet. The Bidder shall prepare ONE Original document comprising the Bid clearly mark it "ORIGINAL." In addition, the Bidder shall submit copies of the Bid, in the number specified in the Bid Data Sheet and clearly mark them "COPY". In the event of any discrepancy between the Original and the Copies, the Original shall prevail.

11.4. The Technical Bid shall be placed in an envelope named "TECHNICAL BID". Similarly, the Financial Bid shall be placed in an envelope named "FINANCIAL BID" followed by the reference number and name of the service. If the Technical and Financial Bids are not submitted in separate envelopes duly marked as indicated above, this will constitute grounds for declaring the Bid non-responsive. Similarly, the Bid Security shall be separately placed in an envelope named "BID SECURITY". Thus, the bidders are required to submit THREE separate envelopes.

11.5. Method of submission of Bids.

- a. Original bid document to be submitted along with the bid security in person
or
- b. Original bid document to be submitted along with the bid security by registered/secured post at the cost of the bidder



or

- c. Password protected electronic bid document to be submitted by e-mail (smcltender@smcl.in) or a web-based file storage and the bid security may be submitted through a scan copy which shall be verified by the branch office of the concerned bank for authentication. However, all original Bid Security must be submitted at a later date.

12. Withdrawal and Substitution of Bids

- 12.1. No bids may be withdrawn or substituted in the interval between the deadline for submission of Bids and the expiry of the period of Bids validity specified by the Bidder in its bids or any extension thereof. Any such withdrawal shall result in the debarment by Company.
- 12.2. However, bid withdrawal and substitution before the deadline for submission must accompany the respective written substitution notice. All substitutions must be submitted in accordance with ITB Clause 11; Submission of bids (except that withdrawal notices do not require copies), and in addition, the respective envelopes shall be clearly marked "WITHDRAWAL" or "SUBSTITUTION".
- 12.3. Bids requested to be withdrawn in accordance with ITB Clause 12.2 above, shall be returned unopened to the Bidder.

13. Opening of Bids

- 13.1. The Company then shall open all remaining Bids, including any substitutions accompanied by a properly authorized substitution notice on the date and time specified in the Bid Data Sheet. The Financial Bids shall remain sealed and securely stored when the Technical Bids are evaluated.

14. Evaluation of Bids and Bids Confidentiality

- 14.1. The evaluation will be done based on the distribution of scores as 30% for technical bid and 70% for the financial. The bids shall be evaluated ITEM-WISE as excavators being the item No. 1 and the tippers the item No. 2.
- 14.2. From the time the bids are opened to the time the Contract is awarded, the Bidder shall not contact the Company on any matter related to its Technical and/or Financial Bid. Any effort by the Bidder to influence the company for award of contract may result in the rejection of the Bidder's bid.
- 14.3. The documents and information in relation to the bids shall remain confidential until the award of Contract is announced and shall not be released to any member other than the Tender Committee of the Company.



15. Evaluation of Technical Bid

- 15.1. The Evaluation Committee shall evaluate the Technical Bids on the basis of their responsiveness to the Scope of Service/Terms of Reference, applying the evaluation criteria, sub-criteria and points system specified in the Bid Data Sheet. Each responsive Bid will be given a technical score (S).
- 15.2. A Bid shall be non-responsive, if it does not respond to important aspects of the ITB and the Scope of Services/Terms of Reference, or if it fails to achieve the minimum technical score/key criteria provided in the Bid Data Sheet.

16. Opening and Evaluation of Financial Bids

- 16.1. After the technical evaluation is completed, the Company shall inform the bidders who have submitted bids the technical scores obtained by their Technical Bids and shall notify those bidders whose bids did not meet the minimum technical score, or were considered non-responsive to the ITB and Scope of Service/TOR, that their Financial bids will be returned unopened after completing the selection process. The Company shall simultaneously notify in writing those bidders that have secured the minimum technical score, the date, time and location for opening the Financial bids.
- 16.2. Financial bids shall be opened publicly in the presence of the bidders' representatives who choose to attend. These Financial bids shall be then opened, and the following information read out and recorded:
 - a) name of the bidder;
 - b) points awarded to the Technical bid; and
 - c) total price of the Financial bids.
- 16.3. The Company shall prepare a record of the opening of the Financial bids, which shall include the information disclosed to those present in accordance with ITB Clause 16.2 above.

17. Financial Negotiation

- 17.1. Negotiation may be carried out with the lowest evaluated Bidder (highest combined score), as the case maybe. The company shall negotiate with the lowest evaluated bidder in the event of an unbalanced bid. The minutes of the negotiation, signed by the company and the bidder, shall form part of the Contract.

18. Conclusion of the Negotiation

- 18.1. To complete the negotiation, the Company and the bidder will sign a minutes of meeting. If negotiation fails, in the case of unbalanced bid, the Company shall inform the bidder in writing of the reasons for termination of the negotiation and then shall invite the next lowest bidder for



negotiation. Once negotiation commence with the next lowest evaluated bidder, the Company shall not reopen the earlier negotiation.

19. Company's Right to Accept any Bid and to Reject Any or All Bids

19.1. The Company reserves the right to accept or reject any bid or to annul the Invitation to the Bid process or reject all bids at any time prior to the award of contract, whatsoever.

20. Award of Contract

20.1. After completing the negotiation, the Company shall officially select the Bidder and publish a Letter of Award (LoA), in line with ITB clause 20.2: Letter of Award, on the Company's website.

20.2. The company shall notify to the successful Bidder, in writing or through their official website, that its Bid has been accepted. Until a formal Contract is prepared and executed, the notification of award shall constitute a binding Contract.

20.3.Upon the successful Bidder furnishing the signed Contract Form and the Performance Security pursuant to ITB Clause 21 & 22: the Company shall promptly notify each unsuccessful Bidders and discharge its Bid Security, pursuant to ITB Clause 8: Bid Security.

20.4. After publication of the award, unsuccessful bidders may request in writing to the company for a debriefing seeking explanations of the grounds on which their bids were not selected. The Company shall promptly respond in writing to any unsuccessful bidder who, after publication of contract award, requests a debriefing. The Purpose of debriefing is to inform the aggrieved bidder of the reasons for lack of success, pointing out the specific shortcomings in its bid without disclosing contents of other bids or any confidential information.

21. Signing of Contract

21.1. Within the time period specified in the Bid Data Sheet, on receipt of the LoA/Notification of Award, the successful bidder shall sign the Contract.

- a) The LoA shall indicate the deadline by which it must be accepted;
- b) The Bidder, if he agrees to conclude the Contract, shall sign and date TWO original copies of the Contract and the LoA and return one copy of each to the Company before the expiry of the deadline;
- c) In case the selected Bidder fails to sign the Contract within the deadline specified, the Contract shall be awarded to the next lowest evaluated Bidder. Such a failure shall be considered as withdrawal and the provisions of ITB Clause 8: Bid security shall apply.
- d) If a bidder is the lowest evaluated bidder for any items, one single contract agreement shall be signed with the bidder for all items the bidder was the winning bidder for.

21.2. The effective date for commencement of the Service is within 14 calendar days from the date of the Work Order.

22. Performance Security

22.1. Within the time period specified in the LoA, the Bidder shall submit the Performance Security of 10% of the contract amount estimated, as shown in Form FIN-2 under Section IV of this



bidding document. The Performance Security (Specimen under Section VI of the Bids Document) should be submitted in any of the following security forms:

- a) Unconditional bank guarantee in the form provided or another form acceptable to the company, or
- b) Banker's certified cheque/cash warrant, or
- c) Demand draft.

22.2. If the Performance Security is provided by the successful Bidder in the form of a bank guarantee, it shall be issued, at the Bidder's option, by a bank located in Bhutan or by a foreign bank acceptable to the company through a correspondent bank located in Bhutan.

22.3. Failure by the successful Bidder to submit the above-mentioned Performance Security or to sign the Contract shall constitute sufficient grounds for the annulment of the award and forfeiture of the Bid Security.

23. Performance Evaluation of Service Provider

23.1. The Company shall adopt performance evaluation system of the Service Provider, which is objective and systematic for effective monitoring and efficient utilization of the EME.

23.2. The Performance Evaluation System for the Service Provider/Contractor shall be developed by the Company that is relevant to the service under the Contract execution.

23.3. The Service Provider must score the minimum threshold to be eligible for contract extension as may be provisioned in the Contract Agreement.

24. Interpretation

24.1. Any lacking in this Bidding document including definitions, procedures, forms, etc., shall refer to the DHI Group Procurement Manual as the Company deems it relevant and appropriate.



SECTION III – BID DATA SHEET

The following bid specific data shall amend and/or supplement the clauses in the Instructions to Bidders (ITB). Whenever there is a conflict, the provisions herein shall prevail over those in the ITB.

ITB CLAUSE	DETAILS
2.1	Method of Selection: Quality and Cost Based Selection (QCBS)
2.2	<p>Financial Bid to be submitted together with Technical Bid: Yes, both Financial Bid envelope and Technical Bid envelope to be submitted separately in a single outer envelope, following the method: Single Stage Two Envelopes Process.</p> <p>The Name of the Assignment is:</p> <p style="text-align: center;">Hiring of Earth Moving Equipment (EME) for Dzongthung Stone Quarry, Bartsham Gewog, Trashigang Dzongkhag.</p> <p>The broad Scope of the assignment and expected time of its completion are:</p> <p style="text-align: center;">Refer Section V: Scope of the Services/ Terms of Reference</p> <p>The format of the Technical Bid to be submitted is:</p> <p style="text-align: center;">Refer ITB 9.1 &10.1 (for Financial Bid)</p>
5.1	<p>Bids must remain valid for: 60 days from the date of opening of the Technical Bid.</p>
7.1	<p>Clarifications may be requested not later than: At least 3 days before the bid submission deadline.</p>
7.2	<p>The email address for requesting clarification is addressed to: General Manager Operations & Mines Division SMCL, Samtse P.O. Box 320 Email: gm.operations@smcl.bt Tel: +975-5-365882/ +975 77244144</p>
7.3	<p>A pre-bid meeting will be conducted, if required or if requested by bidders, as per ITB 7.3: Not applicable.</p>
8 & 8.2	<p>The Bid Security:</p> <p>(d) The Bidder shall furnish a bid security in the amount of Nu. 250,000/- (Ngultrum Two Hundred Fifty Thousand Only) for each item or Nu. 500,000/- (Ngultrum Five Hundred Thousand Only) if the bidder is bidding for both items, which should be valid for a period of 30 days beyond the bid validity period.</p>
9.1	<p>The format of the Technical Bid to be submitted is, provided under SECTION IV-A, with the following forms:</p> <p style="text-align: center;">(a) Form TECH 1; (b) Form TECH 2; (c) Form TECH 3; (d) Form TECH 4;</p>



	<p>(e) Form TECH 5; (f) Form TECH 6;</p>
10.1	<p>The format of the Financial Bid to be submitted is, provided under SECTION IV-B, with the following forms:</p> <p>1. Form FIN-1: Financial Bids Submission Form/Letter; 2. Form FIN 2: Price Schedules</p>
10.2	Applicable taxes shall be deducted from all bills.
11.3	<p>The Bid shall be submitted to the address given below.</p> <p><i>Chief Executive Officer SMCL, Samtse. P.O. Box 320 Tel: +975-5-365887</i></p> <p>The bidder shall submit 2 copies clearly marked as "ORIGINAL." In addition, the Bidder shall submit a copy, clearly mark them "COPY" as prescribed in ITB 11.3.</p>
11.4	<p>Both Financial Bid envelope and Technical Bid envelope to be submitted separately in a single outer envelope, following the method: <i>Single Stage Two Envelope Process</i>.</p> <p>Technical Bid shall be placed in an envelope named "TECHNICAL BID". Similarly, the Financial Bid shall be placed in an envelope named "FINANCIAL BID". In addition, another envelope named "BID SECURITY" shall also be submitted.</p> <p>Both the Bids, including the Bid Security envelope, shall be submitted in an outer envelope with the REFERENCE NUMBER and the NAME OF THE SERVICE.</p>
13.1	The (Technical) Bids will be opened on 05/01/2026 at 2:30 PM <i>hrs (Bhutan Standard Time)</i>
15.1	<p>Evaluation criteria and scoring system</p> <p>The evaluation will be done based on the distribution of scores as following:</p> <p>a) Technical-30% b) Financial -70%</p> <p>Details of the evaluation criteria are provided below for different components:</p>



SL No	Main Criteria	Sub Criteria	Weight assigned
1	Technical	1.1 Age of EME (Excavator/Tipper)	15
		1.2 Ownership of Proposed EME: Own or Hire	10
		1.3 Site Supervisor/Manager	5
2	Financial	Bid Amount (as per bid form)	70
Total			100

ii) Technical (30 % of the total)

a) Age (15% of the Technical Score):

Following score shall be awarded for the age of EMEs (15 points):

Age	Weightage score based on age of the machine
>4 and ≤5	7
>3 and ≤4	9
>2 and ≤3	11
>1 and ≤2	13
≤1	15

The bidder must provide valid registration certificates of all EME, otherwise the bid shall not be accepted for the evaluation. Further, if any EME has age of more than 5 years at the time of bid opening, the bid shall not be accepted for evaluation.

b) Ownership of EME (10% of the Technical Score):

Following score shall be awarded for the ownership (10 points):

Ownership	Weightage score based on ownership.
Owned	10
Hired from the Community	7
Hired from Others	5

- For “Owned EME”, 10 points shall be awarded. Valid registration certificate in the name of license holder shall be submitted for evaluation.
- For “EME Hired from Community”, 7 points shall be awarded. Hiring deeds agreement attested with legal stamps shall be submitted for evaluation. “EME Hired from Community” means EME registered in the name of the public having census under Bartsham, Ramjar and Yalang Gewog. Proof documents endorsed by Gewog Administration shall be submitted for evaluation.



➤ For "EME Hired from Others", 5 points shall be awarded. Hiring deeds agreement attested with legal stamps shall be submitted for evaluation. "EME Hired from Others" means EME hired from any gewogs other than Bartsham, Ramjar and Yalang Gewog.

If any of the above 3 ownership criteria is not validated with required document/evidence, the bid shall not be accepted for evaluation.

c) Supervisor/Manager and Operator/Driver (5% of the Technical Score):

Following score shall be awarded for the site supervisor/manager and operator/driver (5 points)

Similar Working Experience	Weight distribution
More than 7 years	5
6 to 7 years	3
3 to 5 years	1

The requirement of a bidder's manpower/staff shall be at least 1 site supervisor/manager for every shift of daily operation.

If a bidder is the lowest evaluated bidder for both items, the bidder can have at least 1 site supervisor/manager for both items for every shift of daily operation.

Authentic proof of work experience issued by a licensed EME hiring or construction company or a certifying agency shall be submitted for evaluation, otherwise the bid shall not be accepted for evaluation.

2) Financial Evaluation (70% of the Total Score)

The financial criteria will be assessed on the bid amount quoted. The lowest evaluated financial bid will be given the maximum financial score of 100 points. The financial scores of the other bidders will be computed on the *pro rata* basis. The bids will be ranked according to their combined technical and financial scores using the weight calculated based on the following formulae:

The bid with lowest responsive bid price shall be awarded 70%. Points for other bids shall be pro-rated as per the formula below:

$$70\% \times \frac{(\text{Lowest quoted bid})}{\text{Financial Bid quoted by } x}$$

Where, x is a qualified bidder.

15.2	At least 70 percent must be scored in Technical Bid in order for the Bid to be qualified for Financial Evaluation. Bids that do not score at least 70 percent in the Technical Bid shall be deemed to be disqualified and their Financial Bid shall be returned to the Bidder unopened.
17.1	Negotiation Date and Place: <i>To be intimated.</i>
21.1(a)	The contract agreement shall be signed within the deadline mentioned in LoA/Notification of Award.
21.1 (d)	One single contract agreement shall be signed with the bidder for all items the bidder was the winning bidder for.



21.2	Expected date for commencement of services: Within 14 calendar days from the date of Work Order upon signing of the contract agreement.
22.1	The Bidders shall submit the Performance Security in accordance with the Performance Security Specimen on or before the date of signing of the contract agreement.



SECTION IV: BID FORMS

A. TECHNICAL BID FORMS

{Notes to Bidder shown in brackets { } throughout Section IV provide guidance to the Bidder to prepare the Technical Bid ; it should not appear on the Bids to be submitted.}

Checklist of Required Forms

FORM	DESCRIPTION
TECH-1	Technical Bid Submission Form.
TECH-2	Integrity Pact Statement
TECH-3	Bidder's Information
TECH-4	Curriculum Vitae (CV)
TECH-5	EME details, age, and ownership
TECH-6	Bid Security Specimen



FORM TECH – 1: Technical Bid Submission Form

<Ref. No.>>
<Date>

To:
The Chief Executive Officer
SMCL, Samtse
P.O. Box # 320

Dear Sir/Madam,

We the undersigned, offer to provide the service of 'Hiring of Earth Moving Equipment for Dzongthung Stone Quarry, Barisham Gewog, Trashigang Dzongkhag' in accordance with your Letter of Invitation dated

.....
We are hereby submitting our Bid, which includes this Technical Bid and a Financial Bid in separate envelopes; both Bids in an outer envelope.

We hereby declare that:

- This Bid 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 Bid you receive.
- We hereby confirm that this Bid complies with the Bid validity and Bid Security required by the Bidding Documents and specified in the Bidding Data Sheet.
- We have no conflict of interest in accordance with ITB Clause 3.1.
- Our duly executed Integrity Pact Statement is attached herewith.
- All the information and statements made in this BID are true and we accept that any misinterpretation contained in it may lead to our disqualification. In this regard, you may contact any of our previous Procuring Company's or any of our sub-contractors or any of the employees thereof for further information.

Our Bid is binding upon us and subject to the modifications resulting from negotiations.

If our BID is accepted, we undertake to initiate the hiring Services related to the assignment not later than the days indicated in ITB 21.2 of the Bid Data Sheet and to comply with all the provisions of the Contract.

We understand you are not bound to accept any Bids you receive.

Yours sincerely,

Authorized Signature [*In full and initials*]:

Name and Title of Signatory:

Name of Firm:

Address:



FORM TECH – 2: Integrity Pact Statement

(Attach an integrity pact statement pre-signed by the company and Service Provider to submit the same after it is executed by the authorized signatory of the Service Provider)

1. General:

Whereas *Sangay Tsbering, Officiating Chief Executive Officer* representing the *State Mining Corporation Limited*, hereinafter referred to as the "**Procuring Company**" on one part, and *(Name of Co or his/her authorized representative, with power of attorney)* representing M/s. *(Name of firm)*, hereinafter referred to as the "**Service Provider**" on the other part hereby execute this agreement as follows:

- 1.1. This agreement shall be a part of the standard bidding document, which shall be signed by both the parties at the time of purchase of bidding documents and submitted along with the tender document. This IP is applicable only to "**large**" scale works, goods and services, the threshold of which will be announced by the government from time to time. The signing of the IP shall not apply to framework contracting such as annual office supplies etc.

2. Objectives:

Whereas the Procuring Company and the Service Provider agree to enter into this agreement, hereinafter referred to as IP, to avoid all forms of corruption or deceptive practice by following a system that is fair, transparent and free from any influence/unprejudiced dealings in the **bidding process¹** and **contract administration²**, with a view to:

- 2.1. Enabling the Procuring Company to obtain the desired contract at a reasonable and competitive price in conformity to the defined specifications of the works or goods or services; and
- 2.2. Enabling Service Providers to abstain from bribing or any corrupt practice in order to secure the contract by providing assurance to them that their competitors will also refrain from bribing and other corrupt practices.

3. Scope:

The validity of this IP shall cover the bidding process and contract administration period.

4. Commitments of the Procuring Company:

The Procuring Company Commits itself to the following:-

- 4.1. The Procuring Company hereby undertakes that no officials of the Procuring Company, connected directly or indirectly with the contract, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favor or any material or immaterial benefit or any other advantage from the Service Provider, either for themselves or for any person, organization or third party related to the contract in exchange for an advantage in the bidding process and contract administration.

¹ Bidding process, for the purpose of this IP, shall mean the procedures covering tendering process starting from bid preparation, bid submission, bid processing, and bid evaluation.

² Contract administration, for the purpose of this IP, shall mean contract award, contract implementation, un-authorized sub-contracting and contract handing/taking over.

- 4.2. The Procuring Company further confirms that its officials shall not favor any prospective Service Provider in any form that could afford an undue advantage to that particular Service Provider in the bidding process and contract administration and will treat all Service Providers alike.
- 4.3. Officials of the Procuring Company, who may have observed or noticed or have reasonable suspicion shall report to the head of the employing agency or an appropriate government office any violation or attempted violation of clauses 4.1 and 4.2.
- 4.4. Following report on violation of clauses 4.1 and 4.2 by official (s), through any source, necessary disciplinary proceedings, or any other action as deemed fit, including criminal proceedings shall be initiated by the Procuring Company and such a person shall be debarred from further dealings related to the bidding process and contract administration.

5. Commitments of Service Providers

The Service Provider commits himself/herself to take all measures necessary to prevent corrupt practices, unfair means and illegal activities during any stage of the bidding process and contract administration in order to secure the contract or in furtherance to secure it and in particular commits himself/herself to the following:-

- 5.1. The Service Provider shall not offer, directly or through intermediaries, any bribe, gift, consideration, reward, favor, any material or immaterial benefit or other advantage, commission, fees, brokerage or inducement to any official of the Procuring Company, connected directly or indirectly with the bidding process and contract administration, or to any person, organization or third party related to the contract in exchange for any advantage in the bidding process and contract administration.
- 5.2. The Service Provider shall not collude with other parties interested in the contract to manipulate in whatsoever form or manner, the bidding process and contract administration.
- 5.3. If the Service Provider(s) have observed or noticed or have reasonable suspicion that the provisions of the IP have been violated by the procuring agency or other Service Providers, the Service Provider shall report such violations to the head of the procuring agency.

6. Sanctions for Violation:

The breach of any of the aforesaid provisions shall result in administrative charges or penal actions as per the relevant rules and laws.

- 6.1. The breach of the IP or commission of any offence (forgery, providing false information, misrepresentation, providing false/fake documents, bid rigging, bid steering or coercion) by the Service Provider, or any one employed by him, or acting on his/her behalf (whether with or without the knowledge of the Service Provider), shall be dealt with as per the terms and conditions of the contract and other provisions of the relevant laws, including Debarment Rules.
- 6.2. The breach of the IP or commission of any offence by the officials of the procuring agency shall be dealt with as per the rules and laws of the land in vogue.

7. Monitoring and Administration:

- 7.1. The respective procuring agency shall be responsible for administration and monitoring of the IP as per the relevant laws.
- 7.2. The Service Provider shall have the right to appeal as per the arbitration mechanism contained in the relevant rules.



We, hereby declare that we have read and understood the clauses of this agreement and shall abide by it.
The parties hereby sign this Integrity Pact at (place) _____ on (date) _____



Signature over the stamp

Affix
Legal
Stamp

State Mining Corporation Limited

BIDDER/REPRESENTATIVE

Name: *Chhunir Rangim*

Name:

CID: 10716000109

CID:

Witness: *Signature*

Witness: _____

Name: *Daupto Wangdi*

Name:

CID: 11503001650

CID:



FORM TECH – 3: Bidder's Information

(The Bidder shall fill in this Form in accordance with the instructions indicated below. No alterations to its format shall be permitted and no substitutions shall be accepted)

Date: *[insert date of Bid submission]*

NIT No.:

1.	Bidder's Legal Name:
2.	A valid trade license No: <i>(Also attach the photocopy of the certificate)</i>
3.	Authorized Representative Name: Designation: Address: Telephone/Mobile: E-mail Address:
4.	Attached are copies of the following original documents: <i>(check the box(es) of the attached original documents)</i> <input type="checkbox"/> A valid Tax Clearance Certificate of Bidder named in 1 or 2 above (applicable for Bhutanese Service Providers) <input type="checkbox"/> A valid trade license <input type="checkbox"/> Any other certificate to support the legal entity of the Service Provider named in 1 or 2 above

Sealed and Signed:



FORM TECH – 4: Curriculum Vitae (CV) for Supervisor/ Manager/Operator

1. Proposed Position [only one candidate shall be nominated for each position]: _____

2. Name of Firm [Insert name of firm proposing the staff]: _____

3. Name of Staff [Insert full name]: _____

4. Date of Birth: _____

5. Nationality: _____

6. Education [Indicate school/ college/university and other specialized education of staff member, giving names of institutions, degrees obtained, and dates of obtainment]: _____

7. Training: _____

8. Employment Record

[dates of employment, name of employing organization, positions held]:

From [Year]: _____ To [Year]: _____

Company: _____

Positions held: _____

Work details:

From [Year]: _____ To [Year]: _____

Company: _____

Positions held: _____

Work details:



From [Year] _____: To [Year]: _____
Company: _____
Positions held: _____
Work details:

9. Certification:

I, the undersigned, certify that to the best of my knowledge and belief, this CV correctly describes me, my qualifications and my experience. I understand that any willful misstatement herein may lead to my disqualification or dismissal, if engaged.

Date: _____

[Signature of staff member]

Day/Month/Year

Full name of Staff:

Note: Attached herewith the authentic proof of work experience issued by a licensed EME hiring or construction company or a certifying agency. Failure to submit the requisite document shall not be accepted for evaluation.



FORM TECH – 5: EME Details: Age and Ownership

Item No.1: Excavators

EME		Excavator (150HP or equivalent and 1 cum bucket capacity)			
		1	2	3	4
Age of EME	a) Model/Age				
	b) Kilometer / hour run				
Ownership Type	a) Ownership type				
	b) Registration plate No.				
	c) Initial registration date				

Item No.2: Tippers

EME		10-wheeler tippers (16 cum wagon capacity)				
		1	2	3	4	5
Age of EME	a) Model/Age					
	b) Kilometer/ hour run					
Ownership Type	a) Ownership type					
	b) Registration plate No.					
	c) Initial registration date					
		6	7	8	9	10
Age of EME	a) Model/Age					
	c) Kilometer/ hour run					
Ownership Type	a) Ownership type					
	b) Registration plate No.					
	c) Initial registration date					

Note:

The bidder must provide valid registration certificate of all EME, otherwise the bid shall not be accepted for the evaluation. Further, if any EME that has age of more than 5 years at the time of bid opening date, the bid shall not be accepted for further evaluation.



FORM TECH - 6: BID SECURITY SPECIMEN

[The Bank shall fill in this Bank Guarantee Form in accordance with the instructions indicated.]

..... [insert Bank's Name, and Address of Issuing Branch or Office]

Tender No.....

Beneficiary: [Name and Address of Purchaser]

Date:

BANK GUARANTEE No.:

At the request of the Bidder, we..... [insert name of Bank] hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount [insert amount in figures] [insert amount in words] upon receipt by us of your first demand in writing accompanied by a written statement stating that the Bidder is in breach of its obligation(s) under the Bid conditions, because the Bidder:

1. (a) has withdrawn its Bid during the period of Bid validity specified by the Bidder in the Form of Bid;
or
2. (b) having been notified of the acceptance of its Bid by the Procuring Company during the period of Bid validity, (i) fails or refuses to sign the Contract Agreement; or (ii) fails or refuses to furnish the Performance Security, if required, in accordance with the Instructions to Bidders.

This guarantee will expire: (a) if the Bidder is the successful Bidder, upon our receipt of copies of the contract signed by the Bidder and the Performance Security issued to you upon the instruction of the Bidder; or (b) if the Bidder is not the successful Bidder, upon the earlier of (i) our receipt of a copy of your notification to the Bidder of the name of the successful Bidder; or (ii) thirty days after the expiration of the Bidder's Bid.

Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date.

[signature(s)]



B. FINANCIAL BIDS FORMS

FORM FIN - 1: Financial Bids Submission Form

[<Ref. No>]

<Date>]

To: [Name and address of Company]

Dear Sir/Madam,

We, the undersigned, offer to provide the Service of 'Hiring of Earth Moving Equipment for Dzongthung Stone Quarry' in accordance with your Letter of Invitation dated *[Insert Date]* and our Technical Bid. Our attached Financial Bid is for the sum of Nu. _____ (**Ngultrum**
Only)

Our Financial Bid shall be binding upon us, subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Bid, i.e., before the date indicated in ITB Clause 5.1 of the Bid Data Sheet.

We understand you are not bound to accept any bids you receive.

Yours sincerely,

Authorized Signature [In full and initials]:

Name and Title of Signatory:

Name of Firm: _____

Address: _____



FORM FIN – 2: Price Schedule

The quoted rate shall be inclusive for cost on fuel, repair and maintenance, remunerations for the operators and other staff, and all other costs specified under the contract. It shall include any other cost such as watch and ward, and accommodation of the bidder's operator and staff at site. It shall also cover the cost of transporting the machines and tippers from its current location to the mine site and removal, within one month, upon expiry of expiry of the contract.

The Bidder shall place his/her offer rates in the Price Schedule tables given below.

SN	Item	EME specifications	Rate per hour in Nu.	Quantity (Nos.)	Amount per day in Nu. (>8 hours a day)	Amount per year in Nu. (300 working days a year)
A	Excavator	150 HP or equivalent and 1 cum bucket capacity		4 (four)		
Total amount (Nu.)						
Amount (in words):						

**The bid amount shall be provided both in figures and words. In case of discrepancy, the price quoted in words shall prevail.*

SN	Item	EME specifications	Rate per hour in Nu.	Quantity (Nos.)	Amount per day in Nu. (>8 hours a day)	Amount per year in Nu. (300 working days a year)
B	Tipper	10-Wheeler Tippers (16 cum wagon capacity)		10 (ten)		
Total amount (Nu.)						
Amount (in words):						

**The bid amount shall be provided both in figures and words. In case of discrepancy, the price quoted in words shall prevail.*



SECTION V: SCOPE OF THE SERVICES/ TERMS OF REFERENCE (TOR)

1. Scope of the service

Based on Khorlochbu Hydropower Limited's (KHPL) projected demand for aggregate, which is extremely high in third and fourth year, the production target of Dzongthung Stone Quarry in 2026 has been set at 1,034,091 MT of quartzite boulders. To maintain uninterrupted production to achieve the target, SMCL requires earth moving equipment (EME), excavators and tippers, on hire for excavation, loading and hauling of quartzite boulders from the quarry site to the primary (jaw) crusher, which is located at the lead distance of about 0.7km (average of 1 year). **EME for this contract shall include excavators and/or tippers.**

- The excavators shall be required for the following specific **Works**:

- a. Bench face preparation and dressing;
- b. Excavation and loading of quartzite boulders;
- c. Excavation and loading of the overburden (OB) materials;
- d. Management and maintenance of OB dumpsite and stockyard;
- e. Any other miscellaneous and mining related jobs as assigned by the SMCL's site office.

- The tippers shall be required for the following specific **Works**:

- a. Management and maintenance of OB dumpsite and stockyard;
- b. Hauling of quartzite boulders and OB materials;
- c. Any other miscellaneous and mining related jobs as assigned by the SMCL's site office.



SECTION VI: PERFORMANCE SECURITY SPECIMEN

To _____

Whereas (Name of the Service Provider) herein after called the "Service Provider" has undertaken _____
_____(Name of works) in pursuance of Contract No. _____ dated herein after called the "Contract".

AND WHEREAS it has been stipulated by you in the Contract that the Service Provider shall furnish you with a Bank Guarantee by (Name of the Bank) for the sum of (specify amount) as security for compliance with the Service Provider's performance obligations in accordance with the Contract.

AND WHEREAS we have agreed to give the Service Provider a guarantee; therefore we hereby affirm that we are guarantors and responsible to you, on behalf of the Service Provider, up to a total of (amount of guarantee in words and figures) and we undertake to pay you, unconditionally, upon your first written demand declaring the Service Provider to be in default under the Contract, and without cavil or argument, any sum or sums as specified by you, without your needing to prove or show grounds or reasons for your demand or the sum specified therein.

The guarantee is valid until _____ day of _____

[NAME OF GUARANTOR]

(Signature)

(Name)

Authorized Representative

Date: _____

Address: _____



SECTION VII: THE CONTRACT

Contract Agreement

[The successful BIDDER shall fill up this form in accordance with the instructions indicated]

THIS CONTRACT is made on the *[insert number]* day of *[insert month]*, *[insert year]*, BETWEEN

- 1) *State Mining Corporation Ltd.*, a company incorporated under the Companies Act of Bhutan, and having its principal place of business at *Samtse* (hereinafter called "the Procuring Company"), and
- 2) *[insert name of Service Provider]*, entity bearing license No: *[insert entity registration No.]* and having its principal place of business at *[insert: address of Service Provider]* (hereinafter called "Service Provider").

Both parties shall be collectively referred to as "the Parties" or singularly "a Party".

WHEREAS the Procuring Company invited Bids for hiring of Earth Moving Equipment (excavators/tippers) [refer the Terms of Reference (TOR) in] and has accepted a Bid by the Service Provider for hiring of EME in the sum of Nu. _____

(hereinafter called "the Bid Price").

only

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. The following documents shall constitute the Contract between the Procuring Company and the Service Provider, and each shall be read and construed as an integral part of the Contract, viz; and in the event of conflict, the former shall take precedence over the latter.
 - (i) This Contract;
 - (ii) Scope of Services/TOR;
 - (iii) The Service Provider's Bid and original Price Schedule;
 - (iv) The Procuring Agency's Notification of Award of Contract;
 - (v) The Performance Security;
 - (vi) Integrity Pact; and
 - (vii) General and Specific Conditions of this Contract.



PART I- GENERAL CONDITIONS

Representation and Guarantees

2. Except in carrying out the services provided under the scope of services, the Parties acknowledge and agree that nothing in this agreement creates a joint venture, relationship of partnership or agency between the Parties and neither Party has authority to pledge the credit of or make any representation or give any authority to contract on behalf of the other Party.
3. In consideration of the payments to be made by the Procuring Company to the Service Provider as hereinafter mentioned, the Service Provider hereby covenants with the Procuring Company to provide the hiring of EME for the services provided under the Scope of Services/ TOR.
4. The Procuring Company hereby covenants to pay the Service Provider in consideration of the provision of the Services, the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.

Tenure

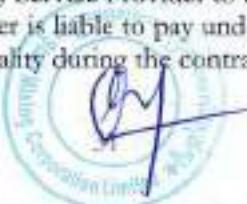
5. The tenure of the services under this agreement shall commence from the day specified in the Work Order issued by the Procuring Company.
6. The tenure of the service shall be for a period of *1 year (12 months)* only.
7. The Procuring Company reserves the right to renew the Contract depending upon the need for the services and as per the performance evaluation system of the Procuring Company.

Modification and Variation

8. Any modification or variation of the terms and conditions of this contract may only be made by written agreement between the Parties.

Performance Security

9. The Service Provider shall be required to submit 10 percent of the total estimated amount payable during the contract period [*bid amount from FORM FIN-2 x normal working hours in a day x 300 days x No. of years in the contract period*] *as Performance Security in the form of cash warrant, demand draft or unconditional Bank Guarantee issued by a financial institution located in Bhutan, which shall be furnished upon the signing the contract or within 30 days from issuing the Notification of Award.*
10. Performance security shall remain valid for a period of thirty (30) days beyond the end of the Contract Period or Tenure and will be returned after the end of Contract Period. The Performance Security Form is included in Section VI of the Bids Document, and it shall serve as a guarantee that the Service Provider will perform the contractual obligations under the contract. It shall be forfeited in the event the Service Provider fails to perform its obligations or upon termination for breach. It may also be used by the Procuring Company to recover any amount payable by Service Provider to the Procuring Company, or otherwise any damages that Service Provider is liable to pay under the Contract terms and conditions including securing the service quality during the contract period and defect liability period.



Price Adjustment

11. The Price Adjustment does not apply for contract duration less than one year, except under extreme circumstances when due to erratic revisions of fuel prices only (whether increase or decrease) has impacted significantly rendering it unreasonable to the parties in the ordinary course of business. In such a case, the Procuring Company shall revise the price by adopting the existing system and formula.
12. For contract duration of more than 12 months, price adjustment may be provided at the discretion of the Procuring Company based on changes in the cost of the major components of the contract. The price adjustment shall be provided only up to a limit that can be absorbed by the Procuring Company, which shall not exceed a maximum ceiling of 20 percent.

Liquidity Damages

13. Where applicable, if the Service Provider fails to deliver the required services as per the scope of the services, within the notice period served, the Procuring Company may, without prejudice to all its other remedies under Part II of this Contract Agreement, deduct from the running bill, as punitive damages stated under the Clause 45. For the delayed initial deployment of complete EME, the liquidity damage of a sum equivalent to 0.1% per day of the total estimated value of the contract up to a maximum of 10% shall be levied. Once the maximum is reached, the Procuring Company may terminate the Contract.

Indemnity

14. The Service Provider shall indemnify the Procuring Company for any loss or damages, including cost of litigations, as a result of negligence or omission by the Service Provider or his/her personnel or EME operator while undertaking the services entrusted to it under this Contract.

Termination

15. Parties may terminate this Contract by giving advance notice to the other Party in writing.
16. Notwithstanding Clause 15, 18 and 19, the Procuring Company reserves the right to terminate the contract immediately:
 - (i) For any Substantial Breach/violation/non-compliance of the Contract terms, if the nature and circumstance of the breach is such that it is reasonable to terminate the contract immediately upon finding that continuing or sustaining the Contract for further days would aggravate the harm or accumulate more damages to the Procuring Company and its affiliates; or
 - (ii) If the Service Provider was involved in any corruption or fraudulent practice in competing for or in executing the services under this Contract or for which prosecution has commenced before the court, or earlier if an investigation agency issues a lawful notification for termination or suspension of the Contract ensuing an investigation.
17. Upon termination, the Performance Security shall be forfeited. In addition, parties shall settle the payment of dues including:
 - (i) Whatever is payable by the Procuring Company to the Service Provider for rendering



the service.

- (ii) Refund of advance payments by the Service Provider after deducting the payment considerations payable for the service rendered.
- (iii) Any punitive damages or damages, and fees or charges payable by the Service Provider for breaching the terms and conditions of the contract.

Termination by the Procuring Company

18. The Procuring Company may terminate this Contract in case of the occurrence of any of the events specified in paragraphs (a) through to (e) of this Clause. In such an occurrence, the Procuring Company shall give not less than thirty (30) days written notice of termination to the Service Provider, or sixty (60) days in the case of the event referred to in paragraph (f) of this Clause.

(a) If the Service Provider does not remedy a failure in the performance of its obligations under the Contract within thirty (30) days after being notified or within any further period as the Procuring Company may have subsequently instructed in writing.

OR

(b) If the Service Provider becomes insolvent or bankrupt.

OR

(c) If, as the result of Force Majeure, the Service Provider is unable to perform a material portion of the Services for a period of not less than sixty (60) days.

OR

(d) If the Service Provider fails to comply with any final decision reached as a result of arbitration proceedings.

OR

(e) If the Procuring Company, in its sole discretion and for any reasons whatsoever, decides to terminate this Contract without any liability to the Procuring Company from the Service Provider.

Termination by the Service Provider

19. The Service Provider may terminate this Contract, by not less than thirty (30) days written notice to the Procuring Company, such notice to be given after the occurrence of any of the events specified in paragraphs (a) through (e) of this Clause:

(a) If the Procuring Company fails to pay bills due to the Service Provider pursuant to this Contract within forty-five (45) days after receiving written notice from the Service Provider that such payment is overdue.

OR

(b) If, as the result of Force Majeure, the Service Provider is unable to perform a material portion of the Services for a period of not less than sixty (60) days.

OR

(c) If the Procuring Company fails to comply with any final decision reached as a result of arbitration hereof.



Debarment

20. The Service Provider shall be subject to debarment or exclusion as per the DHI Group Procurement Manual for:

- Not meeting performance index of the Procuring Company as per the Performance Evaluation System, or
- Involving in fraudulent activity, or criminal or corrupt activities related to the contract or in providing the services.

Force Majeure

21. The Service Provider shall not be liable for forfeiture of its Performance Security or liquidated damages for default, if and to the extent that it's delays in performance or other failure to perform its obligations under the Contract is the result of an event of Force Majeure.

22. For purposes of this Clause, "Force Majeure" means an event or situation beyond the control of the Service Provider that is not foreseeable, is unavoidable, and its origin is not due to negligence or lack of care on the part of the Service Provider or its representatives. Such events may include, but not be limited to, acts of the RGoB in its sovereign capacity, act of God, wars or revolutions, riot, civil commotion, *en masse* strike or protest across the border (in India only), sabotage, fires, floods, epidemics, quarantine restrictions and freight embargoes or any other cause of similar nature which are not within the control of either party to the Contract and which renders the performance of the Contract by the said party impossible.

23. If a Force Majeure situation arises, the Service Provider shall promptly notify Company in writing of such condition and the cause thereof, along with documentary or pictorial evidence. Unless otherwise directed by Company in writing, the Service Provider shall continue to perform its obligations under the Contract as far as is reasonably practical and shall all reasonable alternative means for performance not prevented by the Force Majeure event.

24. The Procuring Company shall not be liable to the Service Provider for any failure or default in performance of its obligations under the Contract as a result of an event of Force Majeure. In such an event, the Procuring Company shall promptly notify the Service Provider of such condition.

25. If a Force Majeure event continues beyond a reasonable period and the Procuring Company determines it necessary to revise or terminate the Contract, the Service Provider shall oblige to such an arrangement after fulfilling the obligations accrued to each other prior to occurrence of Force Majeure.

Governing Law and Dispute Settlement

26. Any dispute between the Procuring Company and the Service Provider under this Contract shall be governed by and interpreted as per the laws of the Kingdom of Bhutan.

27. Any dispute between the Procuring Company and the Service Provider under the Contract shall be first settled amicably through negotiation or mediation.

28. If the parties are unable to settle amicably within 30 days from the day the notice for amicable settlement is served, it shall be settled through a court of competent jurisdiction.

29. Notwithstanding Clause 27, as soon as the dispute arises, parties may mutually submit the dispute with the arbitration procedures as per the *Alternative Dispute Resolution Act 2013 (ADR)*



Act) as amended from time to time. If mutual consensus is not achieved for arbitration, the dispute shall be resolved through litigation as per clause 28.

PART II-SPECIFIC TERMS AND CONDITIONS

Obligations of the Service Provider

30. Obligation of the Service Provider in relation to performance and output are as follows:

- (i) The Service Provider shall ensure adequate number of EME is provided at the site as required by the Procuring Company.
- (ii) In the event of any additional requirement or reduction of the EME due to unforeseen circumstances or requirement at the site, the Service Provider shall provide additional EME or remove it from the site within the period mentioned in the notice served.
- (iii) All EME must operate up to the required capacity and engine power mode. It shall not remain unnecessarily on idle mode with the engine running.
- (iv) The EME shall always have sufficient fuel for efficient operation and completion of the work allocated for a day.
- (v) Engine heating of the EME shall not be accounted as working hours. Engine heating of 10 (ten) minutes per day shall be deducted from the monthly/fortnightly bill.
- (vi) During off-hours the EME shall be stationed as per the instruction of the Procuring Company's representative staff at the site. Time taken by the EME for marching between the work site and the undesignated halt stations shall not be accounted as working hours.
- (vii) The EME operator shall have professional license to operate the equipment efficiently.
- (viii) The Service Provider shall replace an EME, if it is required by the Procuring Company due to inefficiency of the EME including mechanical problems that may not necessarily tantamount to breakdown of the EME.
- (ix) The Service Provider shall perform and carry out its obligations herein with all due diligence, efficiency and in accordance with the generally accepted professional standards and practices.

31. In the event of breakdown of EME:

- (i) The Service Provider's staff at site shall immediately inform the Procuring Company's representative staff using the Site Notice Book or in a form of a notice letter to the Mines Manager in the event of any EME breakdown.
- (ii) Following the breakdown of the EME the Service Provider shall provide replacement with an equivalent or better performing equipment or redeploy the same EME after repairing within the notice period served.
- (iii) Breakdown of EME, viz. excavators and tippers is categorized as major, minor and controllable, and the repair and redeployment or replacement time period are scheduled as follows.



a. Major:

- **Machines**

The breakdown for engine overhauling and due to damaged hydraulic pump, hydraulic control valve, swing motor, swing gear, boom hydraulic cylinder, arm hydraulic cylinder, bucket hydraulic cylinder, the ECM, coolant tank, fuel tank, radiator, fan pump, track chain assembly and the cooler shall be categorized as major breakdown of machines. The allowable period for repair and redeployment of replacement for this major category breakdown shall be 45 days.

- **Tippers**

The breakdown due to accidents and it's repairing/replacement, engine dismantle and overhauling, chassis, body repairing and replacing, major denting and painting shall be categorized as major breakdown of tippers. The allowable period for repair and redeployment of replacement for this major category breakdown shall be 30 days.

b. Minor:

- **Machines**

The damage of hose pipe, bucket, starter motor, fuel pump, injector, tyre puncture and blast, welding works, alternator, electrical issue and replace of other running spare parts shall be categorized as minor breakdown of machines. The allowable period for repair and redeployment of replacement for this minor category breakdown shall be 14 days.

- **Tippers**

The gear box repairing/replacing, crown repairing/replacing, spring change and repairing, fuel injector pump calibration and replacing, gasket repair/replace, vacuum pipe changing, lining repairing/replace, kingpin/balance rod, clutch pad, break-pad change and repairing shall be categorized as minor breakdown of tippers. The allowable period for repair and redeployment of replacement for this minor category breakdown shall be 10 days.

c. Controllable

The controllable category is for changing filters, keeping enough fuel (HSD) and lubricants in stock. There is no allowable time period for this category. However, if the fuel (HSD) is not available in the nearby fuel (HSD) stations, no penalty (punitive damage) clause will be applied.

32. In relation to Site Notice Book:

- (i) Any information, notices, issues, or requests made by the Service Provider or his representatives to the Procuring Company at the site shall be instantly recorded in the Site Notice Book.
- (ii) The Service Provider or his representatives or staffs at the site shall ensure that the information, notices, issues, or requests made to the Procuring Company is countersigned by the Procuring Company's representative staff at the site in the Site Notice Book.

33. It shall be the responsibility of the Service Provider for any fines or penalties imposed by the Government or regulatory authorities for violations of their rules and regulations in relation to the Scope of the Service.

34. The Service Provider shall obtain the Procuring Company's prior approval, in writing, before taking any of the following actions:

- (i) While removing EME from the site or replacing it with another EME.
- (ii) Sub-contracting Service Provider's part of work and services with other contractors.
- (iii) Appointing such staff/representative not listed by name in the Bid Document.

35. Terms and conditions in relation to site supervisor or manager or personnel of the Service Provider are as follows:

- (i) The Service Provider's personnel at the site shall be employed on full-time basis to oversee and manage the EME.
- (ii) The Service Provider shall not make any changes in the Personnel or EME operators employed under this Contract. If, for any reason, beyond the control of the Service Provider such as retirement, death, incapability due to medical conditions, etc. wherein it is necessary to replace the personnel, the Service Provider shall replace with an employee equivalent or better in qualifications and experience or skills acceptable to the Procuring Company.
- (iii) The Service Provider shall replace existing personnel or EME operator, if the Procuring Company:
 - a) Finds that the personnel or EME operator have committed a serious misconduct or displayed unacceptable behaviors during the employment, or have been charged for a criminal offence in relation to the service under this contract.
 - b) Has reasonable cause to be dissatisfied with the performance of any of the personnel or EME operator.
 - c) Finds the Service Provider or his/her Personnel or EME operator instigating others from working or trying to stop or stopping the normal operation of the mine, or any similar act that intend to cause or causes damage to the Procuring Company.
- (iv) The Service Provider shall have no claim for additional costs arising out of or incidental to any removal and/or replacement of his personnel or EME operator under sub-clause (i), (ii) and (iii) above.

36. The Service Provider shall always comply with the Labour and Employment Act of Bhutan, and its Rules and Regulations thereto. He/She shall be responsible for providing all facilities, not limiting to the following, to his personnel and EME operators, at or near the work site:

- (i) Accommodation with proper sanitation, lighting and drinking water supply.
- (ii) Office and store.
- (iii) Uniform, protective safety gears and first aid kit.
- (iv) Any other requirements as per the regulations and standards.

37. The Service Provider shall have insurance policies covering for the EME under this Contract



with any insurance companies.

38. The Service Provider shall be responsible for watch, ward, and repair and maintenance of all EME under the contract.
39. At any time of engagement, the age of the EME shall be less than eight (8) years.
40. The Service Provider shall always act, in respect of any matter relating to this Contract, and shall at all time support and safeguard the Procuring Company's legitimate interests in dealings with other parties.
41. The Service Provider shall ensure that all occupational health and safety standards and related instructions issued by the Employer are followed at all times at the mine and related sites.

Obligations of the Procuring Company

42. The Procuring Company shall promptly issue advance notices of the work schedules entailing time, work duration, and location of the work site in writing either in the Site Notice Book or in the form of letter.
43. The Procuring Company shall give reasonable time for requiring additional or removal of EME as per Clause 30 (ii).
44. The Procuring Company shall print the Site Notice Book and make it available at sites at all times.
45. The Procuring Company may, if available, provide the following logistic to the Service Provider and his Personnel:
 - (i) Land for stationing site office, camps, and stores.
 - (ii) Power connectivity and drinking water supply.

All charges for the use of these utilities under sub-clause (i)&(ii) of Clause 45 shall be borne by the Service Provider or the respective users.
46. The Procuring Company shall make payment of the Invoices not later than 30 days from the submission of original invoices and TPN number, for providing the services. The Company shall also deduct applicable TDS from the payments.

Conditions on Working Hours

47. The normal working hours per day shall be 8 hours.

However, the actual daily working hours and days in a week may change due to but not limited to the following:

- (i) Daily work and output that may require the EME to work up to 3 shifts,
- (ii) Work conditions,
- (iii) Change in work schedule, and
- (iv) Any other unforeseen reasons



48. All EME shall work 6 days a week, except on Sundays. However, the Procuring Company may require the EME to work on any day or work overtime beyond the designated working hours with the agreement of the Service Provider.

Punitive Damages

49. On non-compliance to the provisions of this Contract Agreement, the Parties agreed with the following punitive damages:

- (i) Non-compliance to Clause 30(i), 30(ii), or 34(i) by the Service Provider or his/her representatives including personnel or EME operator shall lead to penalty equal to twice the hiring charges of total shortfall hours.
- (ii) Non-fulfillment of daily working hours as per Clause 47 shall lead to penalty equal to the hiring charges of the total shortfall hours.
- (iii) If offence against Clause 30(iii) is committed more than three times, 30% of the full day hiring charges of all instances shall be levied. The Service Provider shall be issued warning letters of all instances. The Procuring Company or its representatives shall keep record of each breach and inform the Service Provider's representative at the site.
- (iv) If the Service Provider fails to comply with Clause 31(i) and (ii), penalty of 20% of hiring charges of the EME per day (1day= notified normal working hours) shall be levied.
- (v) If the Service Provider fails to comply with Clause 41, penalty of 50% of the cost of the PPE and other safety gears not used by the Service Provider and his staff at the locations mentioned in Clause 41 shall be levied for every instance.
- (vi) Repetition of offences under Clause 30(iii) of a particular EME for more than 3 times, shall lead to the following:
 - a. On spot shutting down of the EME operation and
 - b. Replacement of the operator and or the EME depending on the cause of the offence committed.

50. Failure on the part of the Procuring Company to make payments as per Clause 46 of this Contract without any reasonable justification shall lead to the Service Provider eligible for applicable interest rate calculated at the existing rate per annum on the sum payable.

Curative Notice

51. In case of repeated breaches or any other breaches by the Service Provider or his/her Personnel or EME operator at the site under this contract, the Procuring Company shall issue "Curative Notice" specifying:

- a) The nature of the breach by the Service Provider or the personnel or EME operator, and
- b) Stipulating the time, a reasonable time as the circumstance may infer, within which such breach must be rectified or cured by the Service Provider.

52. Non- compliance to the conditions provided in the Curative Notice shall tantamount to **Substantial Breach** by the Service Provider.

53. The Procuring Company reserves the right to terminate the Contract, wholly or partly, in the event of Substantial Breach by the Service Provider, and such termination notice shall be issued in writing.

Non-Applicable of Idling Charges

54. No additional claims shall be admissible on account of idling charges during the contract period both for machinery and personnel for the stoppage of the work because of:

- (i) Bad weather or so forth, or
- (ii) Non-availability of work for no fault of the Procuring Company during the Contract Period.

Reservation for Individual Contracting

55. Notwithstanding any provisions in this contract, the Procuring Company reserves the right to engage its own EME at the site without prejudice to the existing work with the Service Provider.

56. Under circumstances when the Service Provider is not able to deliver the required services effectively, the Procuring Company shall have the discretion to so determine and hire additional EME from independent contractors (or otherwise through community contracting) to remedy such shortcomings.

PART III-MISCELLANEOUS

Interpretation and Definitions

57. The meaning of a provision of this Contract Agreement will be considered in context with other provisions of the Contract.

58. Any definitions and interpretations lacking in this Contract shall be referred to the definitions provided in the DHI Group Procurement Manual and SBDs thereto.

59. The following principles apply to the construction of this Contract unless the construction is plainly contrary to the intent of the Parties:

- (i) "Including" means "including but not limited to."
- (ii) Singular words may be treated as plural, and plural word may be treated as singular.
- (iii) Headings are for convenience only and do not affect interpretation.
- (iv) "Earth Moving Equipment" (EME) refers to any equipment, including vehicles and any transport/ conveying system, that involve in digging, loading, hauling and handling of minerals and/or mine waste at a mine and related sites.
- (v) "Idling of EME" will also include keeping the engine of EME on running mode without actual performance.
- (vi) "Payable Working Hours" refers to the calculated working hour(s) when the EME is effectively and productively deployed at the site.

(vii) "Substantial Breach" refers to breach or default by the Service Provider under specific terms and condition, and that shall be tantamount to termination at the behest of the Procuring Company under Clause 16 of this Contract.

IN WITNESS whereof the parties hereto have caused this Contract to be executed in accordance with the laws of Bhutan on the day, month and year indicated above.

For and on behalf of the Procuring Company:

Signed: *[insert signature]*
in the capacity of: *[insert title or other appropriate designation]*

in the presence of *[insert signature]* *[insert identification of official witness]*

For and on behalf of the Service Provider

Signed: *[insert signature of authorized representative(s) of the Service Provider]*
in the capacity of *[insert title or other appropriate designation]*

in the presence of *[insert signature]* *[insert identification of official witness]*

