

INDIA

Karnataka Health Systems Development Project

Credit 2833 IN

Management Consultancy for Implementation of KHSDP

Request for Proposal

62

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CONTENTS

TITLE	PAGE No.
SECTION 1. LETTER OF INVITATION.....	3 - 4
SECTION 2. INFORMATION TO CONSULTANTS*	5 - 16
DATA SHEET	17 - 21
SECTION 3. TECHNICAL PROPOSAL - STANDARD FORMS	22 - 31
SECTION 4. FINANCIAL PROPOSAL - STANDARD FORMS	32 - 46
SECTION 5. TERMS OF REFERENCE	47 - 51
SECTION 6. STANDARD FORM OF CONTRACT.....	52 - 60
GENERAL CONDITIONS OF CONTRACT.....	61 - 81
SPECIAL CONDITIONS OF CONTRACT.....	82 - 92
MODEL FORMS & APPENDICES.....	93 - 105

SECTION 1. LETTER OF INVITATION

Bangalore
October 7, 1999

Dear: *Ms. Hospital Services Consultancy Corporation*

1. Government of India has received a credit from International Development Association (IDA) toward the cost of Karnataka Health Systems Development Project (KHSDP), and intends to apply a portion of this loan to eligible payments under this Contract.
2. *Project Administrator, KHSDP*, now invites Proposals to provide the following Consulting Services:

The objective of the assignment is to assist the project office, KHSDP in:

- Renovation and Expansion of hospital buildings & environment
- Procurement, Installation & Commissioning of hospital plant & equipment
- Designing and setting up
 - a) Maintenance system for bio-medical and other equipment
 - b) Health Management Information System
 - c) Hospital Waste Management Systems
 - d) Quality Assurance Systems
 - e) Referral Systems
 - f) Health care programmes for disadvantaged sections.

More details on the Services are provided in the attached Terms of Reference.

3. The RFP has been addressed to the following short listed consultants:

1.	WS Atkins India Pvt. Ltd.	- United Kingdom
2.	Educational Consultants India Ltd.	- India
3.	Technicalaya Consultants Pvt. Ltd.	- India
4.	Skanska Medical Services AB	- Sweden
5.	Centre for Symbiosis of Technology, Environment and Management	- India
6.	Hospital Services Consultancy Corporation	- India
4. A firm will be selected under Quality-and Cost-Based Selection (QCBS) and procedures described in this RFP.

5. The RFP includes the following documents:

Section 1 - Letter of Invitation

Section 2 - Information to Consultants

Section 3 - Technical Proposal - Standard Forms

Section 4 - Financial Proposal - Standard Forms

Section 5 - Terms of Reference

Section 6 - Standard Form of Contract.

6. Please inform us, upon receipt:

- that you received the letter of invitation; and
- whether you will submit a proposal alone or in association.

Yours sincerely,



Project Administrator
Karnataka Health Systems Development Project
Govt. of Karnataka
Bangalore

Section II: Information to Consultant

SECTION 2. INFORMATION TO CONSULTANTS*

1. INTRODUCTION

- 1.1 The Client named in the "Data Sheet" will select a firm among those listed in the Letter of Invitation, in accordance with the method of selection indicated in the Data Sheet and detailed in the edition of the Guidelines given in the Data Sheet.
- 1.2 The consultants are invited to submit a Technical Proposal and a Financial Proposal, or a Technical Proposal only, as specified in the Data Sheet (the Proposal) for consulting services required for the Assignment named in the Data Sheet. The Proposal will be the basis for contract negotiations and ultimately signature of a contract with the selected firm.
- 1.3 The Assignment shall be implemented in accordance with the phasing indicated in the Data Sheet. When the Assignment includes several phases, continuation of services for the next phase shall be subject to satisfactory performance of the previous phase, as determined by the Client. No Phasing
1.17; 1.3
- 1.4 The Consultants must familiarise themselves with local conditions and take them into account in preparing their Proposals. To obtain first-hand information on the Assignment and on the local conditions, consultants are encouraged to pay a visit to the Client before submitting a Proposal, and to attend a pre-proposal conference if one is specified in the Data Sheet. Attending the pre-proposal conference is optional. The Consultant's representative should contact the officials named in the Data Sheet to arrange for their visit or to obtain additional information on the pre-proposal conference. Consultants should ensure that these officials are advised of the visit in adequate time to allow them to make appropriate arrangements.
- 1.5 The Client will provide the inputs specified in the Data Sheet, assist the firms in obtaining licenses and permits needed to carry out the services, and make available relevant project data and reports.
- 1.6 Please note that (i) the costs of preparing the proposal and of negotiating the contract, including a visit to the Client, are not reimbursable as a direct cost of the Assignment; and (ii) the Client is not bound to accept any of the Proposals submitted.
- 1.7 Bank policy requires that consultants provide professional, objective, and impartial advice and at all times hold the Client's interests paramount, without any consideration for future work, and strictly avoid conflicts with other assignments or their own corporate interests. Consultants shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may

place them in a position of not being able to carry out the assignment in the best interest of the Client.

1.7.1 Without limitation on the generality of this rule, consultants shall not be hired under the circumstances set forth below:

- (a) A firm which has been engaged by the Client to provide goods or works for a project, and any of their affiliates, shall be disqualified from providing consulting services for the same project. Conversely, firms hired to provide consulting services for the preparation or implementation of a project, and any of their affiliates, shall be disqualified from subsequently providing goods or works or services related to the initial assignment (other than a continuation of the firm's earlier consulting services) for the same project.
- (b) Consultants or any of their affiliates shall not be hired for any assignment which, by its nature, may be in conflict with another assignment of the consultants.

1.7.2 As pointed out in para. 1.7.1 (a) above, consultants may be hired for downstream work, when continuity is essential, in which case this possibility shall be indicated in the Data Sheet and the factors used for the selection of the consultant should take the likelihood of continuation into account. It will be the exclusive decision of the Client whether or not to have the downstream assignment carried out, and if it is carried out, which consultant will be hired for the purpose.

1.7.3 Any previous or ongoing participation in relation to the assignment by the firm, its professional staff, or its affiliates or associates under a contract with the World Bank may result in rejection of the proposal. Consultants should clarify their situation in that respect with the Client before preparing the proposal.

1.8 It is the Bank's policy to require that Borrowers (including beneficiaries of Bank loans), as well as consultants under Bank-financed contracts, observe the highest standard of ethics during the selection and execution of such contracts. In pursuance of this policy, the Bank:

- (a) defines, for the purposes of this provision, the terms set forth below as follows:
 - (i) "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution; and

- (ii) "fraudulent practice" means a misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the Borrower, and includes collusive practices among consultants (prior to or after submission of proposals) designed to establish prices at artificial, non-competitive levels and to deprive the Borrower of the benefits of free and open competition.
 - (b) will reject a proposal for award if it determines that the firm recommended for award has engaged in corrupt or fraudulent activities in competing for the contract in question;
 - (c) will cancel the portion of the loan allocated to the firm's contract if it at any time determines that corrupt or fraudulent practices were engaged in by representatives of the Borrower or of a beneficiary of the loan during the selection process or the execution of that contract, without the Borrower having taken timely and appropriate action satisfactory to the Bank to remedy the situation;
 - (d) will declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded a Bank-financed contract if it at any time determines that the firm has engaged in corrupt or fraudulent practices in competing for, or in executing, a Bank-financed contract; and
 - (e) will have the right to require that, in contract financed by a Bank loan, a provision be included requiring consultants to permit the Bank to inspect their accounts and records relating to the performance of the contract and to have them audited by auditors appointed by the Bank.
- 1.9 Consultants shall not be under a declaration of ineligibility for corrupt and fraudulent practices issued by the Bank in accordance with the above sub para 1.8 (d).
- 1.10 Consultants shall furnish information as described in the financial proposal submission form (Section 4A) on commissions and gratuities, if any, paid or to be paid to agents relating to this proposal, and to contract execution if the firm is awarded the contract.
- 1.11 Consultants shall be aware of the provisions on fraud and corruption stated in the standard contract under the clauses indicated in the Data Sheet.

2. DOCUMENTS COMPRISING THE RFP

- 2.1 Consultants may request a clarification of any of the RFP documents up to the number of days indicated in the Data Sheet before the Proposal submission date. Any request for clarification must be sent in writing by paper mail, cable, telex, facsimile,

or electronic mail to the Client's address indicated in the Data Sheet. The Client will respond by cable, telex, facsimile, or electronic mail to such requests and will send copies of the response to all invited consultants who intend to submit proposals.

- 2.2 At any time before the submission of Proposals, the Client may, for any reason, whether at its own initiative or in response to a clarification requested by an invited firm, modify the RFP documents by amendment. Any amendment shall be issued in writing through addenda. Addenda shall be sent by mail, cable, telex, facsimile, or electronic mail to all invited consultants and will be binding on them. The Client may at its discretion extend the deadline for the submission of Proposals.

3. PREPARATION OF PROPOSAL

- 3.1 Consultants are requested to submit a Proposal (para 1.2) written in the language(s) specified in the Data Sheet.

Technical Proposal

- 3.2 In preparing the Technical Proposal, consultants are expected to examine the documents comprising this RFP in detail. Material deficiencies in providing the information requested may result in rejection of a Proposal.
- 3.3 While preparing the Technical Proposal, consultants must give particular attention to the following:
- (i) If a firm considers that it does not have all the expertise for the Assignment, it may obtain a full range of expertise by associating with individual consultant(s) and/or other firms or entities in a joint venture relationship or sub-consultancy, as appropriate. Consultants may associate with the other consultants invited for this Assignment only with approval of the Client as indicated in the Data Sheet. The consultants are encouraged to seek participation of local consultants by entering into a joint venture with, or subcontracting part of the Assignment to national consultants. ✓
NO
PP 18
3.3(i)
 - (ii) For assignments on a staff-time basis, the estimated number of professional staff-months is given in the Data Sheet. The proposal shall, however, be based on the number of professional staff-months estimated by the firm.
 - (iii) It is desirable that the majority of the key professional staff proposed be permanent employees of the firm or have an extended and stable working relation with it. ✓

- (iv) Proposed professional staff must have at least the experience indicated in the Data Sheet, preferably under conditions similar to those prevailing in the country of the Assignment.
- (v) Alternative professional staff shall not be proposed, and only one curriculum vitae (CV) may be submitted for each position. // ✓
- (vi) Reports to be issued by the consultants as part of this assignment must be in the language(s) specified in the Data Sheet. It is desirable that the firm's personnel have a working knowledge of the client's national language.

3.4 The Technical Proposal should provide the following information using the attached Standard Forms (Section 3):

- (i) A brief description of the firm's organisation and an outline of recent experience on assignments (Section 3B) of a similar nature. For each assignment, the outline should indicate, inter alia, the profiles and names of the staff provided, duration of the assignment, contract amount, and firm's involvement.
- (ii) Any comments or suggestions on the Terms of Reference and on the data, a list of services, and facilities to be provided by the Client (Section 3C).
- (iii) A description of the methodology and work plan for performing the assignment (Section 3D).
- (iv) The list of the proposed staff team by speciality, the tasks that would be assigned to each staff team member, and their timing (Section 3E).
- (v) CVs recently signed by the proposed professional staff and the authorised representative submitting the proposal (Section 3F). Key information should include number of years working for the firm/entity, and degree of responsibility held in various assignments during the last ten (10) years.
- (vi) Estimates of the total staff effort (professional and support staff; staff time) to be provided to carry out the Assignment, supported by bar chart diagrams showing the time proposed for each professional staff team member. (Sections 3E and 3G).
- (vii) A detailed description of the proposed methodology, staffing, and monitoring of training, if the Data Sheet specifies training as a major component of the assignment. NO as per 10 19.3.4
- (viii) Any additional information requested in the Data Sheet

- 3.5 The Technical Proposal shall not include any financial information.

Financial Proposal

- 3.6 In preparing the Financial Proposal, consultants are expected to take into account the requirements and conditions of the RFP documents. The Financial Proposal should follow Standard Forms (Section 4). It lists all costs associated with the Assignment, including (a) remuneration for staff (foreign and local, in the field and at headquarters), and (b) reimbursables such as subsistence (per diem, housing), transportation (international and local, for mobilisation and demobilisation), services and equipment (vehicles, office equipment, furniture, and supplies), office rent, insurance, printing of documents, surveys; and training, if it is a major component of the assignment. If appropriate, these costs should be broken down by activity and if appropriate into foreign and local expenditures.
- 3.7 The Financial Proposal should clearly identify, as a separate amount, the local taxes (including social security), duties, fees, levies, and other impositions imposed under the applicable law, on the consultants, the sub-consultants, and their personnel (other than nationals or permanent residents of the government's country); unless the Data Sheet specifies otherwise.
- 3.8 Consultants may express the price of their services in the currency of any Bank member country or in the European Currency Unit. The consultants may not use more than three foreign currencies. The Client may require consultants to state the portion of their price representing local cost in the national currency if so indicated in the Data Sheet.
- 3.9 Commissions and gratuities, if any, paid or to be paid by consultants and related to the Assignment will be listed in the Financial Proposal submission form (section 4A).
- 3.10 The Data Sheet indicates how long the proposals must remain valid after the submission date. During this period, the consultant is expected to keep available the professional staff proposed for the assignment. The Client will make its best effort to complete negotiations within this period. If the Client wishes to extend the validity period of the proposals, the consultants who do not agree have the right not to extend the validity of their proposals.

4. SUBMISSION, RECEIPT, AND OPENING OF PROPOSALS

- 4.1 The original Proposal (Technical Proposal and if required Financial Proposal; see para 1.2) shall be prepared in indelible ink. It shall contain no inter-lineation or

overwriting, except as necessary to correct errors made by the firm itself. Any such corrections must be initialled by the person or persons who sign(s) the Proposals.

- 4.2 An authorised representative of the firm initials all pages of the Proposal. The representative's authorisation is confirmed by a written power of attorney accompanying the Proposal.
- 4.3 For each Proposal, you should prepare the number of copies indicated in the Data Sheet. Each Technical Proposal and Financial Proposal should be marked "Original" or "Copy" as appropriate. If there are any discrepancies between the original and the copies of the Proposal, the original governs.
- 4.4 The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked "Technical Proposal," and the original and all copies of the Financial Proposal in a sealed envelope clearly marked "Financial Proposal" and warning: "Do Not Open with the Technical Proposal." Both envelopes shall be placed into an outer sealed envelope bearing the submission address and other information indicated in the Data Sheet and clearly marked, "DO NOT OPEN, EXCEPT IN PRESENCE OF THE EVALUATION COMMITTEE."
- 4.5 The completed Technical and Financial Proposal must be delivered at the submission address on or before the time and date stated in the Data Sheet. Any Proposal received after the closing time for submission of proposals shall be returned unopened.
- 4.6 After the deadline for submission of proposals the Technical Proposal shall be opened immediately by the evaluation committee. The Financial Proposal shall remain sealed and deposited with a respectable public auditor or independent authority until all submitted proposals are opened publicly.

5. PROPOSAL EVALUATION

General

- 5.1 >From the time the bids are opened to the time the contract is awarded, if any consultant wishes to contact the Client on any matter related to its proposal, it should do so in writing at the address indicated in the Data Sheet. Any effort by the firm to influence the Client in the Client's proposal evaluation, proposal comparison or contract award decisions may result in the rejection of the consultant's proposal.

- 5.2 Evaluators of Technical Proposals shall have no access to the Financial Proposals until the technical evaluation, including any Bank reviews and issuance of a "no objection" letter, is concluded.

Evaluation of Technical Proposals

- 5.3 The individual member of the evaluation committee appointed by the Client will carry out the evaluation of proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria and point system specified in the Data Sheet. Each responsive proposal will be given a technical score (St). A proposal to be considered unsuitable shall be rejected at this stage if it does not respond to important aspects of the Terms of Reference or if it fails to achieve the minimum technical score indicated in the Data Sheet. The Client shall notify consultants of the rejection of their Technical Proposal indicating that their Financial Proposals if any, will be returned unopened after completing the selection process.

- 5.4 Deleted.

Public Opening and Evaluation of Financial Proposals; Ranking

- 5.5 After the evaluation of quality is completed, the Client shall notify those consultants whose proposals did not meet the minimum qualifying mark or were considered non-responsive to the RFP and Terms of Reference, indicating that their Financial Proposals will be returned unopened after completing the selection process. The Client shall simultaneously notify the consultants that have secured the minimum qualifying mark, indicating the date and time set for opening the Financial Proposals. The opening date shall not be sooner than two weeks after the notification date. The notification may be sent by registered letter, cable, telex, facsimile, or electronic mail.
- 5.6 The Financial Proposals shall be opened publicly in the presence of the consultants' representatives who choose to attend. The name of the consultant, the quality scores, and the proposed prices shall be read aloud and recorded when the Financial Proposals are opened. The Client shall prepare minutes of the public opening.
- 5.7 The evaluation committee will determine whether the Financial Proposals are complete, (i.e., whether they have costed all items of the corresponding Technical Proposals, if not, the Client will cost them and add their cost to the initial price), correct any computational errors, and convert prices in various currencies to the single currency specified in the Data Sheet. The official selling rates used, to be provided by the source indicated in the Data Sheet, will be those in effect on the date indicated in the Data Sheet. The evaluation shall exclude local taxes, impositions as specified in para. 3.7.

*(UN Agencies shall not receive any preferential treatment in the competitive selection process, except that the Borrowers' may accept the privileges and immunities granted to UN agencies and their staff under existing international conventions and may agree with UN agencies on special payment arrangements required according to the agency's charter provided these are acceptable to the Bank. Such privileges, as well as other advantages such as tax exemption and other facilities and special payment provisions shall be evaluated and neutralised in the cost comparison.)

- 5.8 The lowest Financial Proposal (Fm) will be given a financial score (Sf) of 100 points. The financial scores (Sf) of the other Financial Proposals will be computed as indicated in the Data Sheet. Proposals will be ranked according to their combined technical (St) and financial (Sf) scores using the weights (T = the weight given to the Technical Proposal; P = the weight given to the Financial Proposal; $T + P = 1$) indicated in the Data Sheet: $S = St \times T\% + Sf \times P\%$. The firm achieving the highest combined technical/ financial score will be invited for negotiations.

- 5.9 Deleted.

6. NEGOTIATIONS

- 6.1 Negotiations will be held at the address indicated in the Data Sheet. The aim is to reach agreement on all points and sign a contract.
- 6.2 Negotiations will include a discussion of the Technical Proposal, the proposed methodology (work plan), staffing and any suggestions made by the firm to improve the Terms of Reference. The Client and firm will then work out agreed final Terms of Reference, staffing, and bar charts indicating activities, staff, periods in the field and in the home office, staff-months, logistics, and reporting. The agreed work plan and final Terms of Reference will then be incorporated in the "Description of Services" and form part of the contract. Special attention will be paid to optimising the required outputs from the firm within the available budget and to clearly defining the inputs required from the Client to ensure satisfactory implementation of the Assignment.
- 6.3 The financial negotiations will include a clarification of the firm's tax liability in the Client's country (if any), and the manner in which it will be reflected in the contract; and will reflect the agreed technical modifications in the cost of the services. Unless there are exceptional reasons, the financial negotiations will involve neither the remuneration rates for staff (no breakdown of fees) nor other proposed unit rates.

- 6.4 Having selected the firm on the basis of, among other things, an evaluation of proposed key professional staff, the Client expects to negotiate a contract on the basis of the experts named in the Proposal. Before contract negotiations, the Client will require assurances that the experts will be actually available. The Client will not consider substitutions during contract negotiations unless both parties agree that undue delay in the selection process makes such substitution unavoidable or that such changes are critical to meet the objectives of the assignment. If this is not the case and if it is established that key staff were offered in the proposal without confirming their availability, the firm may be disqualified.
- 6.5 The negotiations will conclude with a review of the draft form of the contract. To complete negotiations the Client and the firm will initial the agreed contract. If negotiations fail, the Client will invite the firm that received the second highest score to contract negotiations.

7. AWARD OF CONTRACT

- 7.1 The contract will be awarded following negotiations. After negotiations are completed, the Client will promptly notify other consultants on the shortlist that they were unsuccessful and return the Financial Proposals of those consultants who did not pass the technical evaluation (para 5.3)
- 7.2 The firm is expected to commence the Assignment on the date and at the location specified in the Data Sheet.

8. CONFIDENTIALITY

- 8.1 Information relating to evaluation of proposals and recommendations concerning awards shall not be disclosed to the consultants who submitted the proposals or to other persons not officially concerned with the process, until the winning firm has been notified that it has been awarded the contract.

DATA SHEET

Information to Consultants

Clause
Reference

1.1 The name of the Client is: *Project Administrator, Karnataka Health Systems Development Project, Government of Karnataka, Bangalore*

The method of selection is: Quality-and Cost-Based Selection (QCBS)

The Edition of the Guidelines is: January 1997 Revised September 1997 and January 1999

1.2 A technical and a Financial Proposals are requested: Yes

The name, objectives and description of the Assignment are:

The objective of the assignment is to assist the project office, KHSDP in:

1. Improving the performance and quality of health care services at the district and sub-district level of the health care system,
2. Narrowing the current coverage gaps by facilitating access to health care delivery, and
3. Achieving better efficiency in the allocation and use of health resources.

1.3 The Assignment is phased: No

1.4 A pre-proposal conference will be held: Yes

On 3rd November, 1999 at 11 A.M. in the Office of the Project Administrator, Karnataka Health Systems Development Project, 1st Floor, PHI Building, Seshadri Road, K.R. Circle, Bangalore 560 001

The name(s), address(es), and telephone/numbers of the Client's Official(s) are:

Dr. S Subramanaya, Project Administrator, KHSDP, Govt. of Karnataka, Bangalore. Tel. 2277391

Shri K. R. Srinivas, Chief Administrative Officer, KHSDP, Govt of Karnataka, Bangalore. Tel. 2276357

1.5 The Client will provide the following inputs:

The client shall provide the consultant copies of project document and other available information about the project. The consultant will be provided with office space at the project office while offering the consultancy.

1.7.2 The Client envisages the need for continuity for downstream work: No

1.11 The clauses on fraud and corruption in the contract are:

Sub-Clause 2.9.1 and 3.6 of G.C.C.

2.1 Clarifications may be requested 20 days before the submission date.

The address for requesting clarifications is: *The Project Administrator, KHSDP, 1st Floor, PHI Building, Seshadri Road, K.R. Circle, Bangalore 560 001*

Tel: 2276357, 2277390, 2274883 Facsimile: 2277389

3.1 Proposals should be submitted in the following language(s): English

3.3 (i) Shortlisted firm/entity may associate with other shortlisted firm: No

(ii) The estimated number of professional staff months required for the assignment is: 132 man-months

(iv) The minimum required experience of proposed key staff is:

(vi) Reports which are part of the assignment must be written in the following language(s): English

Position	Professional	Specific Experience
1. Civil Engineering	Civil Engineer with more than 15 years of experience in planning & monitoring of civil works	Fully conversant with procurement procedures of civil works
2. Medical Equipment Expert	Degree in Bio-medical Engineering with at-least 15 years of experience in hospital equipment management including installation commissioning and maintenance of bio-medical equipment	Well conversant with procurement procedures of hospital equipment including experience in drawing technical specifications and carrying out pre-shipment inspection of hospital equipment
3. Equipment Maintenance	More than 15 years of experience planning, setting	experience in leading a team of technicians for

- HSCC

Shivaji Rao

Char
Gunnar

Specialist	and maintenance of large scale maintenance network for bio-medical equipment	installation, commissioning and maintenance of medical and non-medical hospital equipment
4. Public Health Specialist	More than 15 years of national and international levels in implementing public health programmes	Well experience in planning and organising training for medical and para-medical personnel. Experience in planning and implementation of Information Systems in hospitals. Experience in planning and implementation of Waste Management Systems in hospitals.
5. Project Management Consultant	Management Consultant for a period of 15 years	Experience in conceptualising & development of project proposals for improving health systems. Experience in interacting with international funding agencies. Experience in conducting studies in the field of health. Experience in setting up organisation and development of human personnel.
6. Resource planner	Experience in identifying the resource gaps in terms of physical infrastructure and human resource Planning & Implementing project component & sub-component	Actual experience of at least 3 years in planning for procurement of hospital equipment, civil works and personnel.

Dr Vasundhara

Dr KM

- HSCC
Dr KM

- 3.4 (vii) Training is an important feature of this Assignment: No
- (viii) Additional Information in the Technical Proposal includes: NIL
- 3.8 The Consultants to state local costs in Indian Rupees.
- 3.10 Proposals must remain valid 90 days after the submission date i.e. until: February 22, 1999

4.3 Consultants must submit an original and 1 additional copy of each proposal:

4.4 The proposal submission address is:
The Project Administrator,
Karnataka Health Systems Development Project
1st Floor, PHI Building, Seshadri Road,
K. R. Circle, Bangalore 560 001

The information on the outer envelope should also include: DO NOT OPEN
BEFORE EXCEPT IN PRESENCE OF EVALUATION COMMITTEE

4.5 Proposals must be submitted no later than the following date and time:
25 November 1999, 15.30 hrs.

*Validity 70 days
ie Feb 22, 2000*

5.1 The address to bring information to the Client is:
The Project Administrator,
Karnataka Health Systems Development Project
1st Floor, PHI Building, Seshadri Road,
K. R. Circle, Bangalore 560 001

5.3 The number of points to be given under each of the evaluation criteria are:

	<u>Points</u>
(i) Specific experience of the consultants related to the Assignment	10
(ii) Adequacy of the proposed work plan and methodology in responding to the TOR	20
(iii) Qualifications and competence of the key staff for the Assignment	55
(iv) Suitability of the transfer of knowledge program (training)	5
(v) Local participation (As reflected by nationals among key staff presented by foreign and local firms)	10
Total Points:	100

The number of points to be given under each of the evaluation sub-criteria for
qualifications of staff are:

	<u>Points</u>
(i) General qualifications	30
(ii) Adequacy for the project	60

(iii) Experience in region & language

10

Total Points: 100

5.7

The minimum technical score required to pass is : 75 Points

The single currency for price conversions is: Indian Rupees

The source of official selling rates is: State Bank of India (SBI) B.C. Selling Rate of Exchange

5.8

The date of exchange rates is: the last date for submission of proposals, as indicated in Clause 4.5 of Data Sheet

The formula for determining the financial scores is the following:

$[Sf = 100 \times Fm/F]$, in which Sf is the financial score, Fm is the lowest price, and F the price of the proposal under consideration]

The weights given to the technical and Financial Proposals are:

$T = 0.8$, and

$P = 0.2$

6.1

The address for negotiations is:

The Project Administrator,

Karnataka Health Systems Development Project

1st Floor, PHI Building, Seshadri Road,

K. R. Circle, Bangalore 560 001

7.2

The Assignment is expected to commence on January 2000 at the Office of The Project Administrator, Karnataka Health Systems Development Project, 1st Floor, PHI Building, Seshadri Road, K. R. Circle, Bangalore 560 001.

SECTION 3. TECHNICAL PROPOSAL - STANDARD FORMS

- 3A. Technical Proposal submission form.
- 3B. Firm's references.
- 3C. Comments and suggestions on the Terms of Reference and on data services, and facilities to be provided by the Client.
- 3D. Description of the methodology and work plan for performing the assignment.
- 3E. Team composition and task assignments.
- 3F. Format of Curriculum Vitae of proposed professional staff.
- 3G. Time schedule for professional personnel.
- 3H. Activity (work) schedule.

3A. TECHNICAL PROPOSAL SUBMISSION FORM

[Location, Date]

FROM: (Name of Firm)

TO: (Name and Address of Client)

Ladies/Gentlemen:

Subject: Hiring of Consultancy Service for -----
-----Technical Proposal.

We, the undersigned, offer to provide the consulting services for the above in accordance with your Request for Proposal dated [Date], and our Proposal. We are hereby submitting our Proposal which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope.

If negotiations are held during the period of validity of the Proposal, i.e., before [Date] we undertake to negotiate on the basis of the proposed staff. Our Proposal is binding upon us and subject to the modifications resulting from contract negotiations.

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

We remain,

Yours sincerely,

Authorized Signature:
Name and Title of Signatory:
Name of Firm:
Address:

3B. FIRM'S REFERENCES

Relevant Services Carried Out in the Last Five Years That Best Illustrate Qualifications

Using the format below, provide information on each reference assignment for which your firm/entity, either individually as a corporate entity or as one of the major companies within an association, was legally contracted.

Assignment Name:		Country:
Location within Country:		Professional Staff Provided by Your Firm/entity(profiles):
Name of Client:		No. of Staff:
Address:		No. of Staff-Months; duration of assignment:
Start Date (Month/Year):	Completion Date (Month/Year):	Approx. Value of Services (in Current US\$):
Name of Associated Consultants, if any:		No. of Months of Professional Staff, provided by Associated Consultants:
Name of Senior Staff (Project Director/Coordinator, Team Leader) involved and functions performed:		
Narrative Description of Project:		
Description of Actual Services Provided by Your Staff:		

Firm's Name: _____

**3C. COMMENTS AND SUGGESTIONS OF CONSULTANTS ON THE TERMS
OF REFERENCE AND ON DATA, SERVICES, AND FACILITIES TO BE
PROVIDED BY THE CLIENT**

On the Terms of Reference:

- 1.
- 2.
- 3.
- 4.
- 5.

On the data, services, and facilities to be provided by the Client

- 1.
- 2.
- 3.
- 4.
- 5.

CONSULTING FIRM'S NAME:

**3D. DESCRIPTION OF THE METHODOLOGY AND WORK PLAN
FOR PERFORMING THE ASSIGNMENT**

3E. COMPOSITION OF THE TEAM PERSONNEL, AND TASK(S) OF EACH TEAM MEMBER

1. **Technical/ Managerial Staff**

Sl. No.	Name	Position	Task
1.			
2.			
3.			
4.			
..			
..			

2. **Support Staff**

Sl. No.	Name	Position	Task
1.			
2.			
3.			
4.			
..			
..			

3F. FORMAT OF CURRICULUM VITAE (CV) FOR PROPOSED PROFESSIONAL STAFF

Proposed Position: _____

Name of Firm: _____

Name of Staff: _____

Profession: _____

Date of Birth: _____

Years with Firm/Entity: _____ Nationality: _____

Membership in Professional Societies: _____

Detailed Tasks Assigned: _____

Key Qualifications:

[Give an outline of staff member's experience and training most pertinent to tasks on assignment. Describe degree of responsibility held by staff member on relevant previous assignments and give dates and locations. Use about half a page.]

Education:

[Summarize college/university and other specialized education of staff member, giving names of schools, dates attended, and degrees obtained. Use about one quarter of a page.]

Employment Record:

[Starting with present position, list in reverse order every employment held. List all positions held by staff member since graduation, giving dates, names of employing organizations, titles of positions held, and locations of assignments. For experience in last ten years, also give types of activities performed and client references, where appropriate. Use about three-quarters of a page.]

Languages:

[For each language indicate proficiency: excellent, good, fair, or poor; in speaking, reading, and writing]

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience.

[Signature of staff member and authorized representative of the Firm] **Date:** _____
Day/Month/Year

Full name of staff member: _____

Full name of authorized representative: _____

3G. TIME SCHEDULE FOR PROFESSIONAL PERSONNEL

Sl. No.	Name	Position	Reports Due/Activities	Months (in the form of a Bar Chart)												Number of Months	
				1	2	3	4	5	6	7	8	9	10	11	12		
1.																	Subtotal (1)
2.																	Subtotal (2)
3.																	Subtotal (3)
4.																	Subtotal (4)

Full-time: _____
 Reports Due: _____
 Activities Duration: _____

Part-time: _____

Signature: _____
 (Authorized Representative)

Full Name: _____

Title: _____

Address: _____

3H. ACTIVITY (WORK) SCHEDULE

A. Field Investigation and Study Items:

Sl. No.	Item of Activity (Work)	Monthwise Program (in form of Bar Chart) <i>[1st, 2nd, etc. are months from the start of assignment]</i>											
		1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th

B. Completion and Submission of Reports

Reports: *	Programme: (Date)
Monthly Progress report	Within 1 st week of the subsequent month

SECTION 4. FINANCIAL PROPOSAL - STANDARD FORMS

- 4A. Financial Proposal submission form.
- 4B. Summary of costs.
- 4C. Breakdown of local currency costs.
- 4D. Breakdown of foreign currency costs.

4A. FINANCIAL PROPOSAL SUBMISSION FORM

[Location, Date]

FROM: (Name of Firm)

TO: (Name and Address of Client)

Ladies/Gentlemen:

Subject: Hiring of Consultants' Services for -----
 ----- Financial Proposal.

We, the undersigned, offer to provide the consulting services for the above in accordance with your Request for Proposal dated [Date], and our Proposal (technical and Financial Proposals). Our attached financial proposal is for the sum of [Amount in words and figures]. This amount is exclusive of the local taxes which we have estimated at [Amount(s) in words and figures].

Our financial proposal shall be binding upon us subject to the modifications resulting from contract negotiations, up to expiration of the validity period of the Proposal, i.e., [Date].

We undertake that, in competing for (and, if the award is made to us, in executing) the above contract, we will strictly observe the laws against fraud and corruption in force in India namely "Prevention of Corruption Act 1988".

Commissions and gratuities, if any, paid or to be paid by us to agents relating to this Proposal and contract execution, if we are awarded the contract, are listed below:

Name and Address of Agents	Amount and Currency	Purpose of Commission or Gratuity
_____	_____	_____
_____	_____	_____

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

We remain,

Yours sincerely,

Authorized Signature:
 Name and Title of Signatory:
 Name of the Firm:

Address:

4B. SUMMARY OF COSTS IN LOCAL AND FOREIGN CURRENCY

No.	Description	Amount (LC)*	Amount (FC)*
<u>Local Consultants</u>			
I	Remuneration for Local Professional Staff		
II	Supporting Staff		
III	Transportation		
IV	Duty Travel to Site		
V	Office Rent		
VI	Office Supplies, Utilities and Communication		
VII	Office Furniture and Equipment		
VIII	Reports and Document Printing		
IX	Surveys		
	Subtotal Local Consultants :		
<u>Foreign Consultants</u>			
F-I	Remuneration for Expatriate Staff		
F-II	Mobilization and Demobilization		
F-III	Accommodation for Consultants' Staff		
F-IV	Other Costs		
	Subtotal Foreign Consultants :		
	<u>Total Cost Net of Tax</u> :		
	(Local & Foreign Consultants)		
Local Taxes and Duties	Tax payable on fees for technical services provided by foreign personnel, including duties on equipment imported as defined in Clause 1.10 of SCC		
	Consultancy Services Tax		
	TOTAL COSTS (Including Tax)**		
LC* Local Currency		FC* Foreign Currency (Maximum of three currencies)	

Note: The ceiling cost of the consultancy is as shown in the Summary of Costs. Payments will be made as per stipulations of the Special Conditions of Contract. The break-up of cost as given in formats 4C and 4D is to facilitate assessment of reasonableness of costs and conducting negotiations in accordance with clause 6 of the Information to Consultants.

4C. BREAKDOWN OF LOCAL CURRENCY COSTS ()

REMUNERATION FOR LOCAL STAFF

No.	Position	Name	Year 0			Year 1			Year 2		
			Rate	SM	Amount	Rate	SM	Amount	Rate	SM	Amount
	<u>Professional Staff</u>										
1.											
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											
10.											
	Sub-Total										
	<u>Sub-Professional Staff</u>										
1.											
2.											
3.											
4.											
5.											
6.											
7.											
8.											
9.											
10.											
	Sub-Total										
	TOTAL										

SM = Staff Month

II. Support Staff

No.	Position	Name	Staff Months	Billing Rate ()	Amount()
1	Office Manager				
2	Bilingual Secretary				
3	Book-keeper				
4	Typist I				
5	Typist II				
6	Office Boy				
7	Night Watchman				
				Total :	

III. Transportation (Reimbursable)

- The vehicles provided by the Consultants shall include the cost for rental, drivers, operation, maintenance, repairs, insurance, etc.

Purchases

Operation, maintenance, repairs

Total

IV. Duty Travel to Site (Reimbursable)

- Professional Staff

__ x __ trips x __ days @

- Transport __ x __ trips @

Total

V. Office Rent (Reimbursable)

The rent cost includes maintenance, cleaning, repairs, etc.

__ months x 250 sqm x ____

Total _____

VI. Office Supplies, Utilities and Communication (Reimbursable)

No.	Item	Months	Monthly Rate	Amount in
1.	Office Supplies			
2.	Drafting Supplies			
3.	Computer Running Costs			
4.	Domestic and International Communication			

TOTAL : _____

VII. Office Furniture and Equipment (Reimbursable)

No.	Description(*)	Unit	Quantity	Rate ()	Amount ()
<u>Office Furniture (Purchase)</u>					
1	Large desks and chairs		set		
2	Medium desks and chairs		set		
3	Typist desks and chairs		set		
4	Double door cupboard		nos		
5	Plan filing cabinet		nos		
6	Filing cabinet		nos		
7	Desk lamps		nos		
8	Meeting table with 12 chairs		set		
9	White board		nos		
10	Sofa set		set		
<u>Office Equipment (Purchase)</u>					
1	Drawing pen set		set		
2	Lettering set		set		
3	Photocopying machine		nos		
4	Blueprint machine		nos		
5	Electric typewriter		nos		
6	Manual typewriter		nos		
7	Computer		set		
8	Facsimile		nos		
9	Ring binding machine		nos		
10	Large stapler		nos		
11	Safe		nos		
12	Drafting board, machine, chairs, etc.		set		
13	Video multi system		set		
14	Camera SLR		nos		
				<u>Total</u>	

* Modify as appropriate

VIII. Reports and Document Printing

No.	Description*	No. of Volumes	No. of Copies per Volume	Rate per Copy ()	Amount ()
1	Monthly Report				
2	Inception Report				
3	Tender Evaluation Report				
4	Environmental Impact Assessment				
5	Quarterly Report				
6	Annual Report				
7	Supervision Report				
8	Training Material				
9	Engineering Reports				
10	O & M Manual				
11	Draft Completion Report				
12	Final Report				
Total					

IX. Topographical Surveys (example)*

1. Surveying equipment for design will be provided by the consultants.
The cost would be included in the overall amount of consultancy.

- Electronic Distance Measurement
6 months @ =
- Theodolite T-2 6 months @ =
- Theodolite T-0 7 months @ =
- Automatic level.....7 months @ =
- Staves, range rods, etc.

Sub total

2. Chainmen
Each surveyor will be assisted by _____ chainmen
for _____ surveyor months : _____ =

Total

* Modify as appropriate

Payment Schedule in Local Currency

No.	Item	Month	Month	Month	Month	Month	Month	Month	Month
	Advance Payment								
I	Remuneration for Local Staff								
II	Supporting Staff								
III	Transportation								
IV	Duty Travel to Site								
V	Office Rent								
VI	Office Supplies and Communication								
VII	Office Furniture and Equipment								
VIII	Reports and Document Printing								
IX	Surveys								
Sub-Total Local Consultants:									
F-II	Mobilization and Demobilization								
F-III	Accommodation for Consultants								
F-IV	Other Costs								
Sub-Total Foreign Consultants:									
Sub-Total :									
Advance Repayment*:									
TOTAL PAYMENT :									
ACCUMULATED TOTAL :									

* Assuming that consultants receive an advance in a percentage of the contract amount, advance amount to be determined to cover expenditures until first payment is received.

4D. BREAKDOWN OF COSTS IN FOREIGN CURRENCY

No.	Description	Currency *	Amount
I	Remuneration for Expatriate Staff		
II	Mobilization and Demobilization 1 International Airfares 2 Inland Travel in Home Country 3 Inland Travel in Overseas Country 4 Excess Luggage Allowance 5 Unaccompanied Luggage Allowance 6 Relocation/Storage Allowance 7 Miscellaneous Travel Expense 8 Temporary Lodging during Mobilization/demobilization 9 Establishment 10 Exit charges		
III	Accommodation of Consultant's Expatriate Staff		
IV	Other costs		
	TOTAL COSTS ()		

* Maximum of three currencies plus local currency.

1. Remuneration of Expatriate Staff

No.	Position	Name	Years 1 to 3		
			Rate ()	SM	Amount ()
			Total :		

2. Mobilization and Demobilization

1. International Airfares (Reimbursable)

Position	Round Trips	Dependents
Total:		

Total costs for round trips home office to site at cost per person per round trip conform to the official IATA economy class fares

_____ x _____

2. Inland Travel in Home Country (Fixed Rate)

Total cost for travel between the consultants' head office and airport

_____ x _____

3. Inland Travel in Overseas Country (Fixed Rate)

local cost for travel from the airport to hotel

_____ x _____

4. Excess Luggage Allowance (Reimbursable)

At cost per person per single trip to conform
to the official IATA rates

__x__kg x__ _____

5. Unaccompanied Luggage Allowance (Fixed Rate)

At cost per family per round trip

__x__kg x__ _____

6. Relocation/Storage Allowance (Fixed Rate)

For long term staff with an assignment of more
than 12 months

- family(es) x__ _____

7. Travel Documents and Miscellaneous Costs (Fixed Rate)

Travel documents, visa, health certificates, etc.

(a) Short term staff, first trip

__x__ _____

(b) Short term staff subsequent trips

__x__ _____

(c) Long term staff first trip

- Family(es) x__ _____

(d) Long term staff subsequent trip

- Family(es) x__ _____

Total : _____

8. Temporary Lodging during Mobilization/Demobilization (Reimbursable)

___ Family x ___ day(s) x _____

9. Establishment Allowance (Fixed Rate)

Expenses for legal documents in country
extension of permits, work permits, etc.

- (a) For short term staff assignments less
than 6 months

___ x _____

- (b) Long term staff

___ person(s) x ___ trip(s) _____

Total : _____

10. Exit Charges (Reimbursable)

Allow for expatriate staff with assignments
of more than 6 months _____ per exit at cost

___ person(s) x ___ trip(s) _____

3. Accommodation for Consultants' Expatriate Staff (Fixed Rate)1. Per Diem Allowance Short Term Staff

Total ___ staff months of ___ days is _____ days
Reimbursement of the cost will be on actual day basis

___ days x _____

2. Housing of Long Term Expatriate Staff (Fixed Rate)

Housing including furniture, costs for utilities and maintenance
has to be arranged for 1 family

___ months x _____

4. Other Costs (Reimbursable)

Purchase of documents

Budget for purchase of documents, books,
maps, International standards etc., to be
reimbursed at cost. Allow as ceiling amount

TOTAL :

Payment Schedule in Foreign Currency

No.	Item	Month	Month	Month	Month	Month	Month	Month	Month
	Advance Payment *								
I	Remuneration for Expatriate Staff								
1.	International Airfares								
2.	Inland Travel in Home Country								
3.	Excess Luggage								
4.	Unaccompanied Luggage Allowance								
5.	Re-allocation / Storage Allowance								
6.	Miscellaneous Travel Expenses								
Sub-Total :									
Advance Repayment*:									
TOTAL PAYMENT :									
ACCUMULATED TOTAL :									

* See footnote for payment schedule in local currency at page 40.

SECTION 5. TERMS OF REFERENCE

Terms of Reference
to
Project Management Consultant
For
Karnataka Health Systems Development Project

1. The Background

The Government of India has received a credit (Credit No. 2833IN) from the International Development Association towards Karnataka Health Systems Development Project and it is intended that the proceeds of the credit will be applied to eligible payments under the contracts for which process this Terms of Reference is prepared.

The project mainly aims at upgrading the existing secondary level health systems in the state. The project components include procurement of civil works and equipment including their maintenance, hospital waste management, health management information system, manpower training and special schemes for women and to the disadvantaged section of the society. The project is in the third year of its implementation period.

The Karnataka Health Systems Development Project, Government of Karnataka, proposes to offer a full time project management consultancy to assist in implementation and successful completion of the project.

2. Objectives of the Assignment

The broad objectives are to upgrade and strengthen the secondary level health systems in Karnataka. Specifically the objectives are:

1. Improvement in the performance and quality of health care services at the district and sub-district level of the health care system,
2. Narrowing the current coverage gaps by facilitating access to health care delivery, and
3. Achieving better efficiency in the allocation and use of health resources.

The emphasis of this project is on district and sub-district (or secondary) level health care institutions as the interventions at this level provide critical support to the entire primary health care network, enhancing its effectiveness and credibility and establishing essential

linkages with the tertiary level. Strengthening implies that the existing facilities and their support systems would be upgraded and developed to function more effectively. The project specifically aims to strengthen the sectoral capacity for planning, management and policy development.

The project components and sub-components are:

- a). Management Development and Institutional Strengthening:
 1. Improving the institutional framework for policy Development;
 2. Strengthening management and implementation capacity; and
 3. Developing surveillance capacity for major communicable diseases.
- b). Improving Service Quality, Access and Effectiveness.
 1. Extending/renovating Community, Taluka and District hospitals;
 2. Upgrading their clinical effectiveness;
 3. Improving referral mechanism and linkages with primary and tertiary level; and Improving access and equity to disadvantaged sections.

3. An outline of the Tasks to be carried out

The broad task of the consultants selected for this assignment will be to assist in planning, implementing and monitoring the project management activities of all the components of the project. The specific tasks will be:

CIVIL WORKS

The consultants should assist the project office in:

- Finalisation of preliminary designs of the consulting architects after site inspection and in discussion with the project architect and the World Bank architect.
- Review of detailed drawings and cost estimates as per PWD procedure of estimates.
- Preparation of bidding documents in the approved format of World Bank and obtaining approval of the same from the World Bank.
- Inviting bids as per National Competitive Bidding procedures of the World Bank.
- Evaluation of bids as per procedures in Bank financed projects.
- Providing clarification on any other technical and commercial aspects as and when required.

EQUIPMENT

- The consultants should develop technical specifications for the equipment to be procured and to assist in seeking approval from the World Bank.
- The consultants should develop bid documents for all the methods of procurement of equipment, furniture, drugs and hospital supplies and vehicles as prescribed by the World Bank and finalise the list of consignees and the quantities to be procured for each hospital in the bid document.
- The consultants, should assist in technical evaluation of the bids, give technical clarification to the evaluation committee of the project office, and finalise the award of contract.
- The consultants should if required assist in carrying out pre shipment inspection and organise timely installation and commissioning of equipment.
- The consultants should organise and set up equipment maintenance workshops at state level as well as at district level in the balance and newly formed districts.
- Undertake any such other tasks in equipment management and provide other reports as may be mutually agreed to meet the objectives of this assignment.

MEDICAL

The primary objective of the assignment is to have the consulting agency to assist in:

- Setting up Health Management Information System and monitoring flow of information.
- Evaluate existing technologies for hospital waste management and develop short and medium term strategies for waste management activity in the hospitals of various sizes and types.
- Strengthening referral system in the state, especially with regard to technical support from district and major hospitals to CHCs and PHCs.
- Quality assurance programme specially in training of medical and paramedical personnel and developing guidelines and instruments for quality assessment.
- Planning and implementation of health check up schemes for the disadvantaged section of the society.
- Developing training programme for junior health assistants in syndrome based approach to identify diseases in beneficiary population.
- Developing strategies for technical supervision and training at PHC level to establish linkage with the project with RCH and AIDS control projects.
- Developing IEC strategies for different components of the project.

4. Schedule for Completion of Tasks

- The procurement plan should be completed with 1 month from the date of signing of contract.


*of which 2
How?*

- The rest of outlined tasks should be completed as per schedule in the procurement and activity plans.

5. Data, Services and Facilities to be provided by the Client:

The office of the Karnataka Health Systems Development Project will make available all data and reports available to it or has access to regarding the project activities.

6. Final Outputs that will be Required of the Agency:

The consultants should provide monthly progress reports on the work assigned to them and any other such document which the project officials (defined in Section 7) desire. 


7. Composition of Review Committee to Monitor Consultants Work:

The Review Committee to monitor the consultants work will comprise of the Project Administrator, the Chief Administrative Officer, Engineer in Chief, the Chief Financial Officer and Additional Director (Medical).

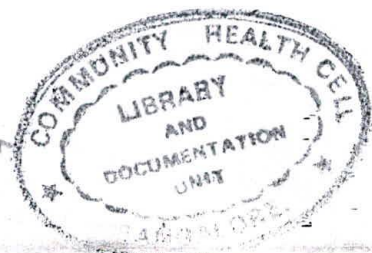
8. Procedure for review of progress reports, inception, interim, final draft and final reports:

The Review Committee will monitor progress on the basis of Work Plan submitted by the consultants.

9. List of Key positions whose CV and experience would be evaluated.

- Civil Engineer
 - Medical Equipment Expert
 - Equipment Maintenance specialist
 - Public Health Specialist
 - Project Management Consultant
 - Resource Planner
- 

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SECTION 6. STANDARD FORM OF CONTRACT

CONTRACT FOR CONSULTANT'S SERVICES**between**

[name of Client]**and**

[name of Consultants]**Dated :**

CONTENTS

	Page No.
I. FORM OF CONTRACT	54
II. GENERAL CONDITIONS OF CONTRACT	58
1. General Provisions	58
1.1 Definitions	58
1.2 Relation between the Parties	59
1.3 Law Governing the Contract	59
1.4 Language	59
1.5 Headings	59
1.6 Notices	60
1.7 Location	60
1.8 Authority of Member in charge	60
1.9 Authorized Representatives	60
1.10 Taxes and Duties	60
2. Commencement, Completion, Modification, and Termination of Contract	61
2.1 Effectiveness of Contract	61
2.2 Termination of Contract for Failure to Become Effective	61
2.3 Commencement of Services	61
2.4 Expiration of Contract	61
2.5 Entire Agreement	61
2.6 Modification	61
2.7 Force Majeure	62
2.7.1 Definition	62
2.7.2 No Breach of Contract	62
2.7.3 Measures to Be Taken	62
2.7.4 Extension of Time	63
2.7.5 Payments	63
2.7.6 Consultation	63
2.8 Suspension	63

2.9	Termination	63
2.9.1	By the Client	63
2.9.2	By the Consultants	65
2.9.3	Cessation of Rights and Obligations	65
2.9.4	Cessation of Services	66
2.9.5	Payment upon Termination	66
2.9.6	Disputes about Events of Termination	66
3.	Obligations of the Consultants	67
3.1	General	67
3.1.1	Standard of Performance	67
3.1.2	Law Governing Services	67
3.2	Conflict of Interests	67
3.2.1	Consultants not to Benefit from Commissions, Discounts, etc.	68
3.2.2	Procurement Rules of Funding Agencies.....	68
3.2.3	Consultants and Affiliates Not to Engage in certain Activities	68
3.2.4	Prohibition of Conflicting Activities	68
3.3	Confidentiality	68
3.4	Liability of the Consultants	69
3.5	Insurance to Be Taken out by the Consultants	70
3.6	Accounting, Inspection and Auditing	70
3.7	Consultant's Actions requiring Client's prior Approval.....	70
3.8	Reporting Obligations	71
3.9	Documents prepared by the Consultants to Be the Property of the Client	71
3.10	Equipments and Materials Furnished by the Client	71
4.	Consultants' Personnel and Sub-consultants	71
4.1	General	71
4.2	Description of Personnel	71
4.3	Approval of Personnel	72
4.4	Working Hours, Overtime, Leave etc.....	72
4.5	Removal and /or Replacement of Personnel	73
4.6	Resident Project Manager	73

5.	Obligations of the Client	74
5.1	Assistance and Exemptions	74
5.2	Access to Land	74
5.3	Change in the Applicable Law	76
5.4	Services, Facilities and Property of the Client	76
5.5	Payment	76
5.6	Counterpart Personnel	76
6.	Payments to the Consultants	77
6.1	Cost Estimates; Ceiling Amount	77
6.2	Remuneration and Reimbursable Expenditures	77
6.3	Currency of Payment	79
6.4	Mode of Billing and Payment	79
7.	Fairness and Good Faith	80
7.1	Good Faith	80
7.2	Operation of the Contract	80
8.	Settlement of Disputes	81
8.1	Amicable Settlement	81
8.2	Dispute Settlement	81
III.	SPECIAL CONDITIONS OF CONTRACT	81
	MODEL FORM I	94
	MODEL FORM II	95

IV. APPENDICES

Appendix A — Description of the Services	96
Appendix B — Reporting Requirements	97
Appendix C — Key Personnel and Sub-consultants	98
Appendix D — Medical Certificate	99
Appendix E — Hours of Work for Key Personnel	100
Appendix F — Duties of the Client	101
Appendix G — Cost Estimates in Foreign Currency	102
Appendix H — Cost Estimates in Local Currency	103
Appendix I — Form of Bank Guarantee for Advance Payments	104

I. FORM OF CONTRACT

COMPLEX TIME-BASED ASSIGNMENTS

This CONTRACT (hereinafter called the "Contract") is made the _____ day of the month of _____, 19____, between, on the one hand, _____ (hereinafter called the "Client") and, on the other hand, _____ (hereinafter called the "Consultants").

WHEREAS

(a) the Client has requested the Consultants to provide certain consulting services as defined in the General Conditions of Contract attached to this Contract (hereinafter called the "Services");

(b) the Consultants, having represented to the Client that they have the required professional skills, and personnel and technical resources, have agreed to provide the Services on the terms and conditions set forth in this Contract;

(c) the Client has received [or: has applied for] a loan from the International Bank for Reconstruction and Development (hereinafter called the "Bank") [or: a credit from the International Development Association (hereinafter called the "Association")] towards the cost of the Services and intends to apply a portion of the proceeds of this loan [or: credit] to eligible payments under this Contract, it being understood (i) that payments by the Bank [or: the Association] will be made only at the request of the Client and upon approval by the Bank [or: the Association], (ii) that such payments will be subject, in all respects, to the terms and conditions of the agreement providing for the loan [or: the credit], and (iii) that no party other than the Client shall derive any rights from the agreement providing for the loan [or: the credit] or have any claim to the loan [or: the credit] proceeds;

NOW THEREFORE the parties hereto hereby agree as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:

- (a) The General Conditions of Contract (hereinafter called "GC");
- (b) The Special Conditions of contract (hereinafter called "SC");
- (c) The following Appendices:

[Note: If any of these Appendices are not used, the words "Not Used" should be inserted below next to the title of the Appendix on the sheet attached hereto carrying the title of that Appendix.]

Appendix A: Description of the Services _____

Appendix B: Reporting Requirements _____

Appendix C: Key Personnel and Sub-consultants _____

Appendix D: Medical Certificate _____

Appendix E: Hours of Work for key Personnel _____

Appendix F: Duties of the Client _____

Appendix G: Cost Estimates in Foreign Currency _____

Appendix H: Cost Estimates in Local Currency _____

Appendix I: Form of Guarantee for Advance Payments _____

2. The mutual rights and obligations of the Client and the Consultants shall be as set forth in the Contract; in particular:

- (a) The Consultants shall carry out the Services in accordance with the provisions of the Contract; and
- (b) the Client shall make payments to the Consultants in accordance with the provisions of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names as of the day and year first above written.

FOR AND ON BEHALF OF
[NAME OF THE CLIENT]

By _____
(Authorized Representative)

FOR AND ON BEHALF OF
[NAME OF THE CONSULTANTS]

By _____
(Authorized Representative)

FOR AND ON BEHALF OF EACH OF
THE MEMBERS OF THE CONSULTANTS

[Name of the Member]

By _____
(Authorized Representative)

[Name of the Member]

By _____
(Authorized Representative)

etc.

II. GENERAL CONDITIONS OF CONTRACT

1. General Provisions

1.1 Definitions

Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

- (a) "Applicable Law" means the laws and any other instruments having the force of law in the Government's country [or in such other country as may be specified in the Special Conditions of Contract (SC)], as they may be issued and in force from time to time;
- (b) "Bank" means the International Bank for Reconstruction and Development, Washington, D.C., U.S.A.;

or

"Association" means the International Development Association, Washington, D.C., U.S.A.;
- (c) "Contract" means the Contract signed by the Parties, to which these General Conditions of Contract are attached, together with all the documents listed in Clause 1 of such signed Contract;
- (d) "Effective Date" means the date on which this Contract comes into force and effect pursuant to Clause GC 2.1;
- (e) "foreign currency" means any currency other than the currency of the Government;
- (f) "GC" means these General Conditions of Contract;
- (g) "Government" means the Government of Client's Country;
- (h) "Local currency" means the currency of the Government;
- (i) "Member", in case the Consultants consist of a joint venture of more than one entity, means any of these entities, and "Members" means all of these entities;
- (j) "Party" means the Client or the Consultants, as the case may be, and Parties means both of them;

- (k) "Personnel" means persons hired by the Consultants or by any Sub-consultant as employees and assigned to the performance of the Services or any part thereof; "Foreign Personnel" means such persons who at the time of being so hired had their domicile outside the Government's Country; "Local Personnel" means such persons who at the time of being so hired had their domicile inside the Government's Country; and 'key personnel' means the personnel referred to in Clause GC 4.2 (a).
- (l) "SC" means the Special Conditions of Contract by which these General Conditions of Contract may be amended or supplemented;
- (m) "Services" means the work to be performed by the Consultants pursuant to this Contract, as described in Appendix A hereto;
- (n) "Sub-consultant" means any entity to which the Consultants subcontract any part of the Services in accordance with the provisions of Clause GC 3.7; and
- (o) "Third Party" means any person or entity other than the Government, the Client, the Consultants or a Sub-consultant.

1.2 **Relation between the Parties**

Nothing contained herein shall be construed as establishing a relation of master and servant or of principal and agent as between the Client and the Consultants. The Consultants, subject to this Contract, have complete charge of Personnel and Sub-consultants, if any, performing the Services and shall be fully responsible for the Services performed by them or on their behalf hereunder.

1.3 **Law Governing Contract**

This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Law.

1.4 **Language**

This Contract has been executed in the language specified in the SC, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.

1.5 **Headings**

The headings shall not limit, alter or affect the meaning of this Contract.

1.6 Notices

- 1.6.1 Any notice, request or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request or consent shall be deemed to have been given or made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram or facsimile to such Party at the address specified in the SC.
- 1.6.2 Notice will be deemed to be effective as specified in the SC.
- 1.6.3 A Party may change its address for notice hereunder by giving the other Party notice of such change pursuant to the provisions listed in the SC with respect to Clause GC 1.6.2.

1.7 Location

The Services shall be performed at such locations as are specified in Appendix A hereto and, where the location of a particular task is not so specified, at such locations, whether in Government's Country or elsewhere, as the Client may approve.

1.8 Authority of Member in Charge

In case the Consultants consist of a joint venture of more than one entity, the Members hereby authorize the entity specified in the SC to act on their behalf in exercising all the Consultants' rights and obligations towards the Client under this Contract, including without limitation the receiving of instructions and payments from the Client.

1.9 Authorized Representatives

Any action required or permitted to be taken, and any document required or permitted to be executed, under this Contract by the Client or the Consultants may be taken or executed by the officials specified in the SC.

1.10 Taxes and Duties

Unless otherwise specified in the SC, the Consultants, Sub-consultants and Personnel shall pay such taxes, duties, fees and other impositions as may be levied under the Applicable Law.

2. Commencement, Completion, Modification and Termination of Contract

2.1 Effectiveness of Contract

This Contract shall come into force and effect on the date (the "Effective Date") of the Client's notice to the Consultants instructing the Consultants to begin carrying out the Services. This notice shall confirm that the effectiveness conditions, if any, listed in the SC have been met.

2.2 Termination of Contract for Failure to Become Effective

If this Contract has not become effective within such time period after the date of the Contract signed by the Parties as shall be specified in the SC, either Party may, by not less than four (4) weeks' written notice to the other Party, declare this Contract to be null and void, and in the event of such a declaration by either Party, neither Party shall have any claim against the other Party with respect hereto.

2.3 Commencement of Services

The Consultants shall begin carrying out the Services at the end of such time period after the Effective Date as shall be specified in the SC.

2.4 Expiration of Contract

Unless terminated earlier pursuant to Clause GC 2.9 hereof, this Contract shall expire when services have been completed and all payments have been made at the end of such time period after the Effective Date as shall be specified in the SC.

2.5 Entire Agreement

This Contract contains all covenants, stipulations and provisions agreed by the Parties. No agent or representative of either Party has authority to make, and the Parties shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth herein.

2.6 Modification

Modification of the terms and conditions of this Contract, including any modification of the scope of the Services, may only be made by written agreement between the Parties and shall not be effective until the consent of the Bank or of the Association, as the case may be, has been obtained. Pursuant to Clause GC 7.2 hereof, however, each Party shall give due consideration to any proposals for modification made by the other Party.

2.7 Force Majeure

2.7.1 Definition

- (a) For the purposes of this Contract, "Force Majeure" means an event which is beyond the reasonable control of a Party, and which makes a Party's performance of its obligations hereunder impossible or so impractical as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other adverse weather conditions, strikes, lockouts or other industrial action (except where such strikes, lockouts or other industrial action are within the power of the Party invoking Force Majeure to prevent), confiscation or any other action by government agencies.
- (b) Force Majeure shall not include (i) any event which is caused by the negligence or intentional action of a Party or such Party's Sub-consultants or agents or employees, nor (ii) any event which a diligent Party could reasonably have been expected to both (A) take into account at the time of the conclusion of this Contract and (B) avoid or overcome in the carrying out of its obligations hereunder.
- (c) Force Majeure shall not include insufficiency of funds or failure to make any payment required hereunder.

2.7.2 No Breach of Contract

The failure of a Party to fulfill any of its obligations hereunder shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms and conditions of this Contract.

2.7.3 Measures to be Taken

- (a) A Party affected by an event of Force Majeure shall take all reasonable measures to remove such Party's inability to fulfill its obligations hereunder with a minimum of delay.
- (b) A Party affected by an event of Force Majeure shall notify the other Party of such event as soon as possible, and in any event not later than fourteen (14) days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give notice of the restoration of normal conditions as soon as possible.

- (c) The Parties shall take all reasonable measures to minimize the consequences of any event of Force Majeure.

2.7.4 Extension of Time

Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

2.7.5 Payments

During the period of their inability to perform the Services as a result of an event of Force Majeure, the Consultants shall be entitled to be reimbursed for additional costs reasonably and necessarily incurred by them during such period for the purposes of the Services and in reactivating the Services after the end of such period. ✓

2.7.6 Consultation

Not later than thirty (30) days after the Consultants, as the result of an event of Force Majeure, have become unable to perform a material portion of the Services, the Parties shall consult with each other with a view to agreeing on appropriate measures to be taken in the circumstances.

2.8 Suspension

The Client may, by written notice of suspension to the Consultants, suspend all payments to the Consultants hereunder if the Consultants fail to perform any of their obligations under this Contract, including the carrying out of the Services, provided that such notice of suspension (i) shall specify the nature of the failure, and (ii) shall request the Consultants to remedy such failure within a period not exceeding thirty (30) days after receipt by the Consultants of such notice of suspension.

2.9 Termination

2.9.1 By the Client

The Client may, by not less than thirty (30) days' written notice of termination to the Consultants (except in the event listed in paragraph (f) below, for which there shall be a written notice of not less than sixty (60) days), such notice to be given after the occurrence of any of the events

specified in paragraphs (a) through (g) of this Clause GC 2.9.1, terminate this Contract:

- (a) if the Consultants fail to remedy a failure in the performance of their obligations hereunder, as specified in a notice of suspension pursuant to Clause GC 2.8 hereinabove, within thirty (30) days of receipt of such notice of suspension or within such further period as the Client may have subsequently approved in writing;
- (b) if the Consultants become (or, if the Consultants consist of more than one entity, if any of their Members becomes) insolvent or bankrupt or enter into any agreements with their creditors for relief of debt or take advantage of any law for the benefit of debtors or go into liquidation or receivership whether compulsory or voluntary;
- (c) if the Consultants fail to comply with any final decision reached as a result of arbitration proceedings pursuant to Clause GC 8 hereof;
- (d) if the Consultants submit to the Client a statement which has a material effect on the rights, obligations or interests of the Client and which the Consultants know to be false;
- (e) if, as the result of Force Majeure, the Consultants are unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- (f) if the Client, in its sole discretion and for any reason whatsoever, decides to terminate this Contract.
- (g) if the consultant, in the judgment of the Client has engaged in corrupt or fraudulent practices in competing for or in executing the Contract.
For the purpose of this clause:

"corrupt practice" means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the selection process or in contract execution.

"fraudulent practice" means a misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the Borrower, and includes collusive practice among consultants (prior to or after submission of proposals) designed to establish prices at artificial non-competitive levels and to deprive the Borrower of the benefits of free and open competition.

2.9.2 By the Consultants

The Consultants may, by not less than thirty (30) days' written notice to the Client, such notice to be given after the occurrence of any of the events specified in paragraphs (a) through (d) of this Clause GC 2.9.2, terminate this Contract:

- (a) if the Client fails to pay any money due to the Consultants pursuant to this Contract and not subject to dispute pursuant to Clause 8 hereof within forty-five (45) days after receiving written notice from the Consultants that such payment is overdue;
- (b) if the Client is in material breach of its obligations pursuant to this Contract and has not remedied the same within forty-five (45) days (or such longer period as the Consultants may have subsequently approved in writing) following the receipt by the Client of the Consultants' notice specifying such breach;
- (c) if, as the result of Force Majeure, the Consultants are unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- (d) if the Client fails to comply with any final decision reached as a result of arbitration pursuant to Clause GC 8 hereof.

2.9.3 Cessation of Rights and Obligations

Upon termination of this Contract pursuant to Clauses GC 2.2 or GC 2.9 hereof, or upon expiration of this Contract pursuant to Clause GC 2.4 hereof, all rights and obligations of the Parties hereunder shall cease, except :

- (i) such rights and obligations as may have accrued on the date of termination or expiration;
- (ii) the obligation of confidentiality set forth in Clause GC 3.3 hereof;
- (iii) the Consultants' obligation to permit inspection, copying and auditing of their accounts and records set forth in Clause GC 3.6 (ii) hereof; and
- (iv) any right which a Party may have under the Applicable Law.

2.9.4 Cessation of Services

Upon termination of this Contract by notice of either Party to the other pursuant to Clauses GC 2.9.1 or GC 2.9.2 hereof, the Consultants shall, immediately upon dispatch or receipt of such notice, take all necessary steps to bring the Services to a close, in a prompt and orderly manner and shall make every reasonable effort to keep expenditures for this purpose to a minimum. With respect to documents prepared by the Consultants and equipment and materials furnished by the Client, the Consultants shall proceed as provided, respectively, by Clauses GC 3.9 or GC 3.10 hereof.

2.9.5 Payment upon Termination

Upon termination of this Contract pursuant to Clauses GC 2.9.1 or GC 2.9.2 hereof, the Client shall make the following payments to the Consultants (after offsetting against these payments any amount that may be due from the Consultant to the Client)):

- (a) remuneration pursuant to Clause GC 6 hereof for Services satisfactorily performed prior to the effective date of termination;
- (b) reimbursable expenditures pursuant to Clause GC 6 hereof for expenditures actually incurred prior to the effective date of termination; and
- (c) except in the case of termination pursuant to paragraphs (a) through (d) of Clause GC 2.9.1 hereof, reimbursement of any reasonable cost incident to the prompt and orderly termination of the Contract including the cost of the return travel of the Consultants' personnel and their eligible dependents.

2.9.6 Disputes about Events of Termination

If either Party disputes whether an event specified in paragraphs (a) through (e) of Clause GC 2.9.1 or in Clause GC 2.9.2 hereof has occurred, such Party may, within forty-five (45) days after receipt of notice of termination from the other Party, refer the matter to arbitration pursuant to Clause GC 8 hereof, and this Contract shall not be terminated on account of such event except in accordance with the terms of any resulting arbitral award.

3. **Obligations of the Consultants**

3.1 **General**

3.1.1 **Standard of Performance**

The Consultants shall perform the Services and carry out their obligations hereunder with all due diligence, efficiency and economy, in accordance with generally accepted professional techniques and practices, and shall observe sound management practices, and employ appropriate advanced technology and safe and effective equipment, machinery, materials and methods. The Consultants shall always act, in respect of any matter relating to this Contract or to the Services, as faithful advisers to the Client, and shall at all times support and safeguard the Client's legitimate interests in any dealings with Sub-consultants or Third Parties.

3.1.2 **Law Governing Services**

The Consultants shall perform the Services in accordance with the Applicable Law and shall take all practicable steps to ensure that any Sub-consultants, as well as the Personnel of the Consultants and any Sub-consultants, comply with the Applicable Law. The Client shall advise the Consultants in writing of relevant local customs and the Consultants shall, after such notifications, respect such customs.

3.2 **Conflict of Interests**

3.2.1 **Consultants Not to Benefit from Commissions, Discounts, etc.**

The remuneration of the Consultants pursuant to Clause GC 6 hereof shall constitute the Consultants' sole remuneration in connection with this Contract or the Services and, subject to Clause GC 3.2.2 hereof, the Consultants shall not accept for their own benefit any trade commission, discount or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations hereunder, and the Consultants shall use their best efforts to ensure that any Sub-consultants, as well as the Personnel and agents of either of them, similarly shall not receive any such additional remuneration.

3.2.2 Procurement Rules of Funding Agencies

If the Consultants, as part of the Services, have the responsibility of advising the Client on the procurement of goods, works or services, the Consultants shall comply with any applicable procurement guidelines of the Bank or of the Association, as the case may be, and other funding agencies and shall at all times exercise such responsibility in the best interest of the Client. Any discounts or commissions obtained by the Consultants in the exercise of such procurement responsibility shall be for the account of the Client.

3.2.3 Consultants and Affiliates Not to engage in Certain Activities

The Consultants agree that, during the term of this Contract and after its termination, the Consultants and any entity affiliated with the Consultants, as well as any Sub-consultant and any entity affiliated with such Sub-consultant, shall be disqualified from providing goods, works or services (other than the Services and any continuation thereof) for any project resulting from or closely related to the Services.

3.2.4 Prohibition of Conflicting Activities

The Consultants shall not engage, and shall cause their Personnel as well as their Sub-consultants and their Personnel not to engage, either directly or indirectly, in any of the following activities:

- (a) during the term of this Contract, any business or professional activities in the Government's country which would conflict with the activities assigned to them under this Contract; and
- (b) after the termination of this Contract, such other activities as may be specified in the SC.

3.3 Confidentiality

The Consultants, their Sub-consultants and the Personnel of either of them shall not, either during the term or within two (2) years after the expiration of this Contract, disclose any proprietary or confidential information relating to the Project, the Services, this Contract or the Client's business or operations without the prior written consent of the Client.

3.4 **Liability of the Consultants**

Subject to additional provisions, if any, set forth in the SC, the Consultants' liability under this Contract shall be as provided by the Applicable Law.

3.5 **Insurance to be Taken Out by the Consultants**

The Consultants (i) shall take out and maintain, and shall cause any Sub-consultants to take out and maintain, at their (or the Sub-consultants', as the case may be) own cost but on terms and conditions approved by the Client, insurance against the risks, and for the coverages, as shall be specified in the SC, and (ii) at the Client's request, shall provide evidence to the Client showing that such insurance has been taken out and maintained and that the current premiums therefor have been paid.

3.6 **Accounting, Inspection and Auditing**

The Consultants (i) shall keep accurate and systematic accounts and records in respect of the Services, hereunder, in accordance with internationally accepted accounting principles and in such form and detail as will clearly identify all relevant time charges and cost, and the bases thereof (including such bases as may be specifically referred to in the SC); (ii) shall permit the Client or its designated representative periodically, and up to one year from the expiration or termination of this Contract, to inspect the same and make copies thereof as well as to have them audited by auditors appointed by the Client; and (iii) shall permit the Bank to inspect the Consultant's accounts and records relating to the performance of the Consultant and to have them audited by auditors appointed by the Bank, if so required by the Bank.

3.7 **Consultants' Actions Requiring Client's Prior Approval**

The Consultants shall obtain the Client's prior approval in writing before taking any of the following actions:

- (a) appointing such members of the Personnel as are listed in Appendix C ("Consultants' Sub-consultants' Key Personnel") merely by title but not by name;
- (b) entering into a subcontract for the performance of any part of the Services, it being understood (i) that the selection of the Sub-consultant and the terms and conditions of the subcontract shall have been approved in writing by the Client prior to the execution of the subcontract, and (ii) that the Consultants shall remain fully liable for the performance of the Services by the Sub-consultant and its Personnel pursuant to this Contract; and

- (c) any other action that may be specified in the SC.

Reporting Obligations

The Consultants shall submit to the Client the reports and documents specified in Appendix B hereto, in the form, in the numbers and within the time periods set forth in the said Appendix.

Documents Prepared by the Consultants to Be the Property of the Client

All plans, drawings, specifications, designs, reports, other documents and software prepared by the Consultants for the Client under this Contract shall become and remain the property of the Client, and the Consultants shall, not later than upon termination or expiration of this Contract, deliver all such documents to the Client, together with a detailed inventory thereof. The Consultants may retain a copy of such documents and software. Restrictions about the future use of these documents and software, if any, shall be specified in the SC.

Equipment and Materials Furnished by the Client

Equipment and materials made available to the Consultants by the Client, or purchased by the Consultants with funds provided by the Client, shall be the property of the Client and shall be marked accordingly. Upon termination or expiration of this Contract, the Consultants shall make available to the Client an inventory of such equipment and materials and shall dispose of such equipment and materials in accordance with the Client's instructions. While in possession of such equipment and materials, the Consultants, unless otherwise instructed by the Client in writing, shall insure them at the expense of the Client in an amount equal to their full replacement value.

Consultants' Personnel and Sub-consultants

General

Consultants shall employ and provide such qualified and experienced Personnel and Sub-consultants as are required to carry out the Services.

Description of Personnel

- (a) The titles, agreed job descriptions, minimum qualification and estimated periods of engagement in the carrying out of the Services of each of the Consultants' Key Personnel are described in Appendix C. If any of the Key Personnel has already been approved by the clients his/her name is listed as well.

- (b) If required to comply with the provisions of Clause GCC 3.1.1 hereof, adjustments with respect to the estimated periods of engagement of Key Personnel set forth in Appendix C may be made by the Consultants by written notice to the Client, provided (i) that such adjustments shall not alter the originally estimated period of engagement of any individual by more than 10% or one week, whichever is larger, and (ii) that the aggregate of such adjustments shall not cause payments under this Contract to exceed the ceilings set forth in Clause GC 6.1(b) of this Contract. Any other such adjustments shall only be made with the Client's written approval.
- (c) If additional work is required beyond the scope of the Services specified in Appendix A, the estimated periods of engagement of Key Personnel set forth in Appendix C may be increased by agreement in writing between the Client and the Consultants, provided that any such increase shall not, except as otherwise agreed, cause payments under this Contract to exceed the ceilings set forth in Clause GC 6.1(b) of this Contract.

4.3 **Approval of Personnel**

The Key Personnel and Sub-consultants listed by title as well as by name in Appendix C are hereby approved by the Client. In respect of other Key Personnel which the Consultants propose to use in the carrying out of the Services, the Consultants shall submit to the client for review and approval a copy of their biographical data and (in the case of Key personnel to be used within the country of the Government) a copy of a satisfactory medical certificate in the form attached hereto as Appendix D. If the Client does not object in writing (stating the reasons for the objection) within twenty-one (21) calendar days from the date of receipt of such biographical data and (if applicable) such certificate, such Key Personnel shall be deemed to have been approved by the Client.

4.4 **Working Hours, Overtime, Leave, etc.**

- (a) Working hours and holidays for Key Personnel are set forth in Appendix E hereto. To account for travel time, foreign Personnel carrying out Services inside the Government's country shall be deemed to have commenced (or finished) work in respect of the Services such number of days before their arrival in (or after their departure from) the Government's country as is specified in Appendix E hereto.
- (b) The Key Personnel shall not be entitled to be paid for overtime nor to take paid sick leave or vacation leave except as specified in Appendix E hereto, and except as specified in such Appendix, the Consultants' remuneration shall be deemed to cover these items. All leave to be allowed to the Personnel is

included in the staff-months of service set for thin Appendix C. Any taking of leave by Personnel shall be subject to the prior approval by the Consultants who shall ensure that absence for leave purposes will not delay the progress and adequate supervision of the Services.

4.5 **Removal and/or Replacement of Personnel**

- (a) Except as the Client may otherwise agree, no changes shall be made in the Key Personnel. If, for any reason beyond the reasonable control of the Consultants, it becomes necessary to replace any of the Personnel, the Consultants shall forthwith provide as a replacement a person of equivalent or better qualifications.
- (b) If the Client (i) finds that any of the Personnel has committed serious misconduct or has been charged with having committed a criminal action, or (ii) has reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Consultants shall, at the Client's written request specifying the grounds therefor, forthwith provide as a replacement a person with qualifications and experience acceptable to the Client.
- (c) Any of the Personnel provided as a replacement under Clauses (a) and (b) above, the rate of remuneration applicable to such person as well as any reimbursable expenditures (including expenditures due to the number of eligible dependents) the Consultants may wish to claim as a result of such replacement, shall be subject to the prior written approval by the Client. Except as the Client may otherwise agree, (i) the Consultants shall bear all additional travel and other costs arising out of or incidental to any removal and/or replacement, and (ii) the remuneration to be paid for any of the Personnel provided as a replacement shall not exceed the remuneration which would have been payable to the Personnel replaced.

4.6 **Resident Project Manager**

If required by the SC, the Consultants shall ensure that at all times during the Consultants' performance of the Services in the Government's country a resident project manager, acceptable to the Client, shall take charge of the performance of such Services.

5. **Obligations of the Client**

5.1 **Assistance and Exemptions**

Unless otherwise specified in the SC, the Client shall use its best efforts to ensure that the Government shall:

- (a) provide the Consultants, Sub-consultants and Personnel with work permits and such other documents as shall be necessary to enable the Consultants, Sub-consultants or Personnel to perform the Services;
- (b) assist for the Personnel and, if appropriate, their eligible dependents to be provided promptly with all necessary entry and exit visas, residence permits, exchange permits and any other documents required for their stay in Government's country;
- (c) facilitate prompt clearance through customs of any property required for the Services and of the personal effects of the Personnel and their eligible dependents;
- (d) issue to officials, agents and representatives of the Government all such instructions as may be necessary or appropriate for the prompt and effective implementation of the Services;
- (e) assist the Consultants and the Personnel and any Sub-consultants employed by the Consultants for the Services from any requirement to register or obtain any permit to practice their profession or to establish themselves either individually or as a corporate entity according to the Applicable Law;
- (f) grant to the Consultants, any Sub-consultant and the Personnel of either of them the privilege, pursuant to the Applicable Law, of bringing into Government's country reasonable amounts of foreign currency for the purposes of the Services or for the personal use of the Personnel and their dependents and of withdrawing any such amounts as may be earned therein by the Personnel in the execution of the Services; and
- (g) provide to the Consultants, Sub-consultants and Personnel any such other assistance as may be specified in the SC.

5.2 **Access to Land**

The Client warrants that the Consultants shall have, free of charge, unimpeded access to all land in the Government's country in respect of which access is required for the performance of the Services. The Client will be responsible for any damage

to such land or any property thereon resulting from such access and will indemnify the Consultants and each of the Personnel in respect of liability for any such damage, unless such damage is caused by the default or negligence of the Consultants or any Sub-consultant or the Personnel of either of them.

5.3 **Change in the Applicable Law**

If, after the date of this Contract, there is any change in the Applicable Law with respect to taxes and duties which increases or decreases the cost or reimbursable expenses incurred by the Consultants in performing the Services, then the remuneration and reimbursable expenses otherwise payable to the Consultants under this Contract shall be increased or decreased accordingly by agreement between the Parties hereto, and corresponding adjustments shall be made to the ceiling amounts specified in Clause GC 6.1(b).

5.4 **Services, Facilities and Property of the Client**

The Client shall make available to the Consultants and the Personnel, for the purposes of the services and free of any charge, the services, facilities and property described in Appendix F at the times and in the manner specified in said Appendix F, provided that if such services, facilities and property shall not be made available to the Consultants as and when so specified, the Parties shall agree on (i) any time extension that it may be appropriate to grant to the Consultants for the performance of the Services, (ii) the manner in which the Consultants shall procure any such services, facilities and property from other sources, and (iii) the additional payments, if any, to be made to the Consultants as a result thereof pursuant to Clause GC 6.1(c) hereinafter.

5.5 **Payment**

In consideration of the Services performed by the Consultants under this Contract, the Client shall make to the Consultants such payments and in such manner as is provided by Clause GC 6 of this Contract.

5.6 **Counterpart Personnel**

- (a) If so provided in Appendix F hereto, the Client shall make available to the Consultants, as and when provided in such Appendix F, and free of charge, such counterpart personnel to be selected by the Client, with the Consultants' advice, as shall be specified in such Appendix F. Counterpart personnel shall work under the exclusive direction of the Consultants. If any member of the counterpart personnel fails to perform adequately any work assigned to him by the Consultants which is consistent with the position occupied by such

member, the Consultants may request the replacement of such member, and the Client shall not unreasonably refuse to act upon such request.

- (b) If counterpart personnel are not provided by the Client to the Consultants as and when specified in Appendix F, the Client and the Consultants shall agree on (i) how the affected part of the Services shall be carried out, and (ii) the additional payments, if any, to be made by the Client to the Consultants as a result thereof pursuant to Clause GC 6.1(c) hereof.

6. Payments to the Consultants

6.1 Cost Estimates; Ceiling Amount

- (a) An estimate of the cost of the Services payable in foreign currency is set forth in Appendix G. An estimate of the cost of the Services payable in local currency is set forth in Appendix H.
- (b) Except as may be otherwise agreed under Clause GC 2.6 and subject to Clause GC 6.1(c), payments under this Contract shall not exceed the ceilings in foreign currency and in local currency specified in the SC. The Consultants shall notify the Client as soon as cumulative charges incurred for the Services have reached 80% of either of these ceilings.
- (c) Notwithstanding Clause GC 6.1(b) hereof, if pursuant to clauses GC 5.3, 5.4 or 5.6 hereof, the Parties shall agree that additional payments in local and/or foreign currency, as the case may be, shall be made to the Consultants in order to cover any necessary additional expenditures not envisaged in the cost estimates referred to in Clause GC 6.1(a) above, the ceiling or ceilings, as the case may be, set forth in Clause GC 6.1(b) above shall be increased by the amount or amounts, as the case may be, of any such additional payments.

6.2 Remuneration and Reimbursable Expenditures

- (a) Subject to the ceilings specified in Clause GC 6.1(b) hereof, the Client shall pay to the Consultants (i) remuneration as set forth in Clause GC 6.2(b), and (ii) reimbursable expenditures as set forth in Clause GC 6.2(c). If specified in the SC, said remuneration shall be subject to price adjustment as specified in the SC.
- (b) Remuneration for the Personnel shall be determined on the basis of time actually spent by such Personnel in the performance of the Services after the date determined in accordance with Clause GC 2.3 and Clause SC 2.3 (or such other date as the Parties shall agree in writing) (including time for necessary

travel via the most direct route) at the rates referred to, and subject to such additional provisions as are set forth, in the SC.

- (c) Reimbursable expenditures actually and reasonably incurred by the Consultants in the performance of the Services, as specified in Clause SC 6.3(b).

6.3 Currency of Payment

- (a) Foreign currency payments shall be made in the currency or currencies specified as foreign currency or currencies in the SC, and local currency payments shall be made in the currency of the Government.
- (b) The SC shall specify which items of remuneration and reimbursable expenditures shall be paid, respectively, in foreign and in local currency.

6.4 Mode of Billing and Payment

Billing and payments in respect of the Services shall be made as follows:

- (a) The Client shall cause to be paid to the Consultants an advance payment as specified in the SC, and as otherwise set forth below. The advance payment will be due after provision by the Consultants to the Client of a bank guarantee by a bank acceptable to the Client in an amount (or amounts) and in a currency (or currencies) specified in the SC, such bank guarantee (i) to remain effective until the advance payment has been fully set off as provided in the SC, and (ii) to be in the form set forth in Appendix I hereto or in such other form as the Client shall have approved in writing.
- (b) As soon as practicable and not later than fifteen (15) days after the end of each calendar month during the period of the Services, the Consultants shall submit to the Client, in duplicate, itemized statements, accompanied by copies of receipted invoices, vouchers and other appropriate supporting materials, of the amounts payable pursuant to Clauses GC 6.3 and 6.4 for such month. Separate monthly statements shall be submitted in respect of amounts payable in foreign currency and in local currency. Each such separate monthly statement shall distinguish that portion of the total eligible costs which pertains to remuneration from that portion which pertains to reimbursable expenditures.
- (c) The Client shall cause the payment of the Consultants periodically as given in schedule of payment above within sixty (60) days after the receipt by the Client of bills with supporting documents. Only such portion of a monthly statement that is not satisfactorily supported may be withheld from payment. Should any discrepancy be found to exist between actual payment and costs authorized to

As per Appendix I

be incurred by the Consultants, the Client may add or subtract the difference from any subsequent payments. Interest at the rate specified in the SC shall become payable as from the above due date on any amount due by, but not paid on, such due date.

- (d) The final payment under this Clause shall be made only after the final report and a final statement, identified as such, shall have been submitted by the Consultants and approved as satisfactory by the Client. The Services shall be deemed completed and finally accepted by the Client and the final report and final statement shall be deemed approved by the Client as satisfactory ninety (90) calendar days after receipt of the final report and final statement by the Client unless the Client, within such ninety (90)-day period, gives written notice to the Consultants specifying in detail deficiencies in the Services, the final report or final statement. The Consultants shall thereupon promptly make any necessary corrections, and upon completion of such corrections, the foregoing process shall be repeated. Any amount which the Client has paid or caused to be paid in accordance with this Clause in excess of the amounts actually payable in accordance with the provisions of this Contract shall be reimbursed by the Consultants to the Client within thirty (30) days after receipt by the Consultants of notice thereof. Any such claim by the Client for reimbursement must be made within twelve (12) calendar months after receipt by the Client of a final report and a final statement approved by the Client in accordance with the above.
- (e) All payments under this Contract shall be made to the account of the Consultants specified in the SC.

7. Fairness and Good Faith

7.1 Good Faith

The Parties undertake to act in good faith with respect to each other's rights under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

7.2 Operation of the Contract

The Parties recognize that it is impractical in this Contract to provide for every contingency which may arise during the life of the Contract, and the Parties hereby agree that it is their intention that this Contract shall operate fairly as between them, and without detriment to the interest of either of them, and that, if during the term of this Contract either Party believes that this Contract is operating unfairly, the Parties will use their best efforts to agree on such action as may be necessary to remove the cause or causes of such unfairness, but no failure to agree on any action pursuant to

this Clause shall give rise to a dispute subject to arbitration in accordance with Clause GC 8 hereof.

8. Settlement of Disputes

8.1 Amicable Settlement

The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or the interpretation thereof.

8.2 Dispute Settlement

Any dispute between the Parties as to matters arising pursuant to this Contract which cannot be settled amicably within thirty (30) days after receipt by one Party of the other Party's request for such amicable settlement may be submitted by either Party for settlement in accordance with the provisions specified in the SC.

III. SPECIAL CONDITIONS OF CONTRACT

Number of
GC Clause

A. Amendments of, and Supplements to, Clauses in the General Conditions of Contract

1.1(a) The words "in the Government's country" are amended to read "in INDIA"

1.4 The language is: English

1.6.1 The addresses are:

Client: Office of Project Administrator
1st Floor, PHI Building, Seshadri Road
K.R Circle, Bangalore 560 001
Attention: The Project Administrator

Cable address : NII
Telex : _____
Facsimile : 080 2277389

Consultants: _____

Attention: _____

Cable address : _____
Telex : _____
Facsimile : _____

1.6.2 Notice will be deemed to be effective as follows:

- (a) in the case of personal delivery or registered mail, on delivery;
- (b) in the case of telexes, 24 hours following confirmed transmission;
- (c) in the case of telegrams, 24 hours following confirmed transmission;
and
- (d) in the case of facsimiles, 24 hours following confirmed transmission.

1.8 The Member in Charge is: _____ (*Name of Member*)

1.9 The Authorized Representatives are:

For the Client: The Project Administrator
KHSDP

For the Consultants: _____

1.10

1.10.1 For domestic consultants / personnel and foreign consultants/personnel who are permanent residents in India

The consultants, Sub-consultants and the Personnel shall pay the taxes, duties, fees, levies and other impositions levied under the existing, amended or enacted laws during life of this contract and the client shall perform such duties in regard to the deduction of such tax as may be lawfully imposed.

1.10.2 For foreign Consultants / Personnel

The client warrants that the client shall pay on behalf of the Consultants, Sub-consultants and the Personnel any taxes, duties, fees, levies and other impositions imposed, under the Applicable Law, on the Consultants, Sub-consultants and the Personnel in respect of:

- (a) any payments whatsoever made to the Consultants, Sub-consultants and the Personnel of either of them (other than Indian nationals or foreign nationals now permanently residing in India), in connection with the carrying out of the Services;
 - (b) any equipment, materials and supplies brought into India by the Consultants or Sub-consultants for the purpose of carrying out the Services and which, after having been bought into such territories, will be subsequently withdrawn therefrom by them;
 - (c) any equipment imported for the purpose of carrying out the Services and paid for out of funds provided by the client and which is treated as property of the client;
 - (d) any property brought into India by the Consultants, any Sub-consultants, the Personnel of either of them (other than Indian nationals or permanent residents of India), or the eligible dependants of such Personnel for their personal use and which will subsequently be withdrawn therefrom by them upon their respective departure from India, provided that:
 - (1) the Consultants, Sub-consultants and Personnel, and their eligible dependants, shall follow the usual customs procedures of the Government in importing property into India; and
 - (2) if the Consultants, Sub-consultants or Personnel, or their eligible dependants, do not withdraw but dispose of any property in India upon which customs duties and taxes have been exempted, the Consultants, Sub-consultants or Personnel, as the case may be,
 - (i) shall bear such customs duties and taxes in conformity with the regulations of the Government, or
 - (ii) shall reimburse them to the client if they were paid by the client at the time the property in question was brought into India.
- 1.10.3 However, the Consultancy Services tax payable in India for providing this Consultancy Services shall be paid/reimbursed by the Client separately.

- 2.2 The time period shall be Four Months or such other time period as the parties may agree in writing.
- 2.3 The time period shall be one month or such other time period as the Parties may agree in writing.
- 2.4 The time period shall be 24 months or such other time period as the parties may agree in writing.

"For a period of two years after the expiration of this Contract, the Consultants shall not engage, and shall cause their Personnel as well as their Sub-consultants and their Personnel not to engage, in the activity of a purchaser (directly or indirectly) of the assets on which they advised the Client under this Contract nor in the activity of an adviser (directly or indirectly) of potential purchasers of such assets. The Consultants also agree that their affiliates shall be disqualified for the same period of time from engaging in the said activities."]

[3.4. Limitation of the Consultants' Liability towards the Client

- (a) Except in case of gross negligence or willful misconduct on the part of the Consultants or on the part of any person or firm acting on behalf of the Consultants in carrying out the Services, the Consultants, with respect to damage caused by the Consultants to the Client's property, shall not be liable to the Client:
 - (i) for any indirect or consequential loss or damage; and
 - (ii) for any direct loss or damage that exceeds (A) the total payments for Professional Fees and Reimbursable Expenditures made or expected to be made to the Consultants hereunder, or (B) the proceeds the Consultants may be entitled to receive from any insurance maintained by the Consultants to cover such a liability, whichever of (A) or (B) is higher.
- (b) This limitation of liability shall not affect the Consultants' liability, if any, for damage to Third Parties caused by the Consultants or any person or firm acting on behalf of the Consultants in carrying out the Services.

3.5 The risks and the coverages shall be as follows:

- (a) Third Party motor vehicle liability insurance as required under Motor Vehicles Act, 1988 in respect of motor vehicles operated in India by the Consultants or their Personnel or any Sub-consultants or their Personnel for the period of consultancy.
- (b) Third Party liability insurance with a minimum coverage, of Rs.3 million for the period of consultancy.
- (c) Professional liability insurance, with a minimum coverage equal to estimated remuneration and reimbursables as per 3.4 (a) (ii) of SC of the consultancy.
- (d) Employer's liability and workers' compensation insurance in respect of the Personnel of the Consultants and of any Sub-consultant, in accordance with the relevant provisions of the Applicable Law, as well as, with respect to such

Personnel, any such life, health, accident, travel or other insurance as may be appropriate; and

- (e) Insurance against loss of or damage to (i) equipment purchased in whole or in part with funds provided under this Contract, (ii) the Consultants' property used in the performance of the Services, and (iii) any documents prepared by the Consultants in the performance of the Services.

[3.7(c) The other actions are: None

"(i) taking any action under a civil works contract designating the Consultants as "Engineer", for which action, pursuant to such civil works contract, the written approval of the Client as "Employer" is required".

3.9 The Consultants shall not use these documents for purposes unrelated to this Contract without the prior written approval of the Client.

6.1(b) The amount payable in foreign currency or currencies is: _____

The ceiling in local currency is: _____

"Payments for remuneration made in accordance with Clause GC 6.2(a) in [foreign and/or] [local] currency shall be adjusted as follows :

- (i) Remuneration paid in foreign currency pursuant to the rates set forth in Appendix G shall be adjusted every 12 months (and, the first time, with effect for the remuneration earned in the 13th calendar month after the date of the Contract) by applying the following formula :

$$R_f = R_{fo} \times I_f / I_{fo}$$

where R_f is the adjusted remuneration, R_{fo} is the remuneration payable on the basis of the rates set forth in Appendix G for remuneration payable in foreign currency, I_f is the official index for salaries in the country of the foreign currency for the first month for which the adjustment is supposed to have effect, and I_{fo} is the official index for salaries in the country of the foreign currency for the month of the date of the Contract. (the index for "wages" published by International Monetary Fund in its monthly "International Financial Statistics" for the country could be considered for adoption)

- (ii) Remuneration paid in local currency pursuant to the rates set forth in Appendix H shall be adjusted every twelve (12) months (and, for the first time, with effect for the remuneration earned in the 13th calendar month after the date of the Contract) by applying the following formula :

$$Rl = Rlo \times II/Ilo$$

where Rl is the adjusted remuneration, Rlo is the remuneration payable on the basis of the rates set forth in Appendix H for remuneration payable in local currency, II is the official index for salaries in the client's country (Indices for "urban Non Manual Employees" for Bangalore published by Director General of Commercial Intelligence and Statistics, Ministry of Commerce/Government of India) for the first month for which the adjustment is to have effect, and Ilo is the official index for salaries in the client's country for the month of the date of the Contract.]

- 6.2(b)(i) (1) It is understood (i) that the remuneration rates shall cover (A) such salaries and allowances as the Consultants shall have agreed to pay to the Personnel as well as factors for social charges and overhead, and (B) the cost of backstopping by home office staff not included in the Personnel listed in Appendix C, and (C) the Consultants' fee, (ii) that bonuses or other means of profit-sharing shall not be allowed as an element of overhead, and (iii) that any rates specified for persons not yet appointed shall be provisional and shall be subject to revision, with the written approval of the Client, once the applicable salaries and allowances are known.
- (2) Remuneration for periods of less than one month shall be calculated on an hourly basis for actual time spent in the Consultants' home office and directly attributable to the Services (one hour being equivalent to 1/240th of a month) and on a calendar-day basis for time spent away from home office (one day being equivalent to 1/30th of a month).
- 6.2(b)(ii) The rates for foreign [and local] Personnel are set forth in Appendix G [and the rates for local Personnel, in Appendix H].
- 6.3(a) The foreign currency [currencies] shall be the following:
- [(i) _____] (*name of foreign currency*)
- [(ii) _____]
- 6.3(b)(i) Remuneration for foreign Personnel shall be paid in foreign currency and remuneration for local Personnel shall be paid in local currency.

6.3(b)(ii) The reimbursable expenditures in foreign currency shall be the following:

- (1) a per diem allowance for each of the Personnel for every day in which such Personnel shall be absent from his home office and shall be outside India for the purpose of the Services at the daily rate specified in Appendix G.
- (2) the following transportation costs :
 - (i) the cost of international transportation of the foreign personnel and, as specified below, eligible dependants of the foreign Personnel, by the most appropriate means of transport and the most direct practicable route to and from the Consultants' home office; in the case of air travel, this shall be by less than first class;
 - (ii) for any foreign Personnel spending twenty-four (24) consecutive months or more in the Government's country, one extra round trip will be reimbursed for every twenty-four (24) months of assignment in India. Such Personnel will be entitled to such extra round trip only if upon their return to India, such Personnel are scheduled to serve for the purposes of the Project for a further period of not less than six (6) consecutive months;
 - (iii) the cost of transportation to and from India of eligible dependants who shall be the spouse and not more than two (2) unmarried dependent children under eighteen (18) years of age of those of the foreign Personnel assigned to resident duty in India for the purpose of the Services for periods of six (6) consecutive months or longer, provided that the stay of such dependants in India shall have been for not less than three (3) consecutive months duration. If the assignment period for resident staff of the foreign Personnel will be thirty (30) months or more, one extra economy class air trip for their eligible dependants for every twenty-four (24) month assignment will be reimbursed;
 - (iv) for the air travel of each of the foreign Personnel, and each eligible dependent, the cost of excess baggage up to twenty (20) kilograms per person, or the equivalent in cost of unaccompanied baggage or air freight; and
 - (v) miscellaneous travel expenses such as the cost of transportation to and from airports, airport taxes, passport, visas, travel permits, vaccinations, etc. at a fixed unit price per round trip as specified in Appendix G.

- (3) the cost of communications (other than those arising in India) reasonably required by the Consultants for the purposes of the Services.
- (4) the cost of printing, reproducing and shipping of the documents, reports, drawings, etc. Specified in Appendices A and B hereof;
- (5) the cost of acquisition, shipment and handling of the following equipment, instruments, materials and supplies required for the Services _____;
- (6) the cost of shipment of personal effects up to _____;
- (7) the cost of programming and use of, and communication between, the computers for the purposes of the Services at the rate set forth in Appendix G;
- (8) the cost of training of the Client's personnel outside India, as specified in Appendix G;
- (9) the cost of laboratory tests on materials, model tests and other technical services authorized or requested by the Client, as specified in Appendix G;
- (10) the foreign currency cost of any subcontract required for the Services and approved in writing by the Client;
- (11) the cost of items not covered in the foregoing but which may be required by the Consultants for completion of the Services, subject to the prior authorization in writing by the Client; and
- (12) any such additional payments in foreign currency for properly procured items as the Parties may have agreed upon pursuant to the provisions of clause GC 6.1(c).

6.3(b)(iii)

The reimbursable expenditures in local currency shall be the following :

- (1) a per diem allowance at a rate in local currency equivalent to *[name agreed foreign currency specified in Clause SC 6.1 (b)]* per day, for each of the short-term foreign Personnel (i.e. with less than twelve (12) months consecutive stay in India for the first ninety (90) days during which such Personnel shall be in India;
- (2) a per diem allowance at a rate in local currency equivalent to *[name agreed foreign currency specified in Clause SC 6.1(b)]* per day, for each

of the short-term foreign Personnel for each day in excess of ninety (90) days during which such Personnel shall be in India;

- (3) a living allowance for each of the long-term foreign Personnel (twelve (12) months or longer consecutive stay in India) at the rates specified in Appendix H;
- (4) the cost of the following locally procured items : local transportation, office accommodations, camp facilities, camp services, subcontracted services, soil testing, equipment rentals, supplies, utilities and communication charges arising in India, all if and to the extent required for the purpose of the Services, at rates specified in Appendix H;
- (5) the cost of equipment, materials and supplies to be procured locally in India as specified in Appendix H;
- (6) the local currency cost of any subcontract required for the Services and approved in writing by the Client;
- (7) any such additional payments in local currency for properly procured items as the Parties may have agreed upon pursuant to the provisions of Clause GC 6.1(c); and
- (8) the cost of such further items as may be required by the Consultants for the purpose of the Services, as agreed in writing by the Client.

6.4(a)

The following provisions shall apply to the advance payment and the advance payment guarantee :

- (1) An advance payment [of _____ in foreign currency] [and of _____ in local currency] shall be made within _____ days after receipt of advance payment guarantee. The advance payment will be set off by the Client in equal instalments against the statements for the first _____ months of the Service until the advance payment has been fully set off.
- (2) The bank guarantee shall be in the amount and in the currency of the [foreign] [and local] currency portion of the advance

6.4(c)

The interest rate is:

- for foreign currency : London Inter-Bank On-Lending Rate (LIBOR)
plus 2% per annum
- for local currency: _____ 10 _____ % per annum

6.4(e)

The accounts are:

- For foreign currency: _____
- For local currency: _____

[Note: Insert account number, type of account and name and address of the Bank]

8.2 Disputes shall be settled by arbitration in accordance with the following provisions :

8.2.1 Selection of Arbitrators

Each dispute submitted by a Party to arbitration shall be heard by a sole arbitrator or an arbitration panel composed of three arbitrators, in accordance with the following provisions:

- (a) Where the Parties agree that the dispute concerns a technical matter, they may agree to appoint a sole arbitrator or, failing agreement on the identity of such sole arbitrator within thirty (30) days after receipt by the other Party of the proposal of a name for such an appointment by the Party who initiated the proceedings, either Party may apply to the President, Institution of Engineers India, Karnataka Chapter, Bangalore, for a list of not fewer than five nominees and, on receipt of such list, the Parties shall alternately strike names therefrom, and the last remaining nominee on the list shall be the sole arbitrator for the matter in dispute. If the last remaining nominee has not been determined in this manner within sixty (60) days of the date of the list, the President, Institution of Engineers India, Karnataka, Chapter, Bangalore, shall appoint, upon the request of either Party and from such list or otherwise, a sole arbitrator for the matter in dispute.
- (b) Where the Parties do not agree that the dispute concerns a technical matter, the Client and the Consultants shall each appoint one arbitrator, and these two arbitrators shall jointly appoint a third arbitrator, who shall chair the arbitration panel. If the arbitrators named by the Parties do not succeed in appointing a third arbitrator within thirty (30) days after the latter of the two arbitrators named by the Parties has been appointed, the third arbitrator shall, at the request of either Party, be appointed by Secretary, the Indian Council of Arbitration, New Delhi.
- (c) If, in a dispute subject to Clause SC 8.2.1 (b), one Party fails to appoint its arbitrator within thirty (30) days after the other Party has appointed its

arbitrator, the Party which has named an arbitrator may apply to the Secretary, Indian Council of Arbitration, New Delhi, to appoint a sole arbitrator for the matter in dispute, and the arbitrator appointed pursuant to such application shall be the sole arbitrator for that dispute.

8.2.2 Rules of Procedure

Arbitration proceedings shall be conducted in accordance with procedure of the Arbitration & Conciliation Act 1996, of India unless the Consultant is a foreign national/firm, where arbitration proceedings shall be conducted in accordance with the rules of procedure for arbitration of the United Nations Commission on International Trade Law (UNCITRAL) as in force on the date of this Contract.

8.2.3 Substitute Arbitrators

If for any reason an arbitrator is unable to perform his function, a substitute shall be appointed in the same manner as the original arbitrator.

8.2.4 Qualifications of Arbitrators

The sole arbitrator or the third arbitrator appointed pursuant to paragraphs (a) through (c) of Clause 8.2.1 hereof shall be an internationally recognized legal or technical expert with extensive experience in relation to the matter in dispute.

8.2.5 Miscellaneous

In any arbitration proceeding hereunder:

- (a) proceedings shall, unless otherwise agreed by the Parties, be held in Bangalore.
- (b) the English language shall be the official language for all purposes; and
- (c) the decision of the sole arbitrator or of a majority of the arbitrators (or of the third arbitrator if there is no such majority) shall be final and binding and shall be enforceable in any court of competent jurisdiction, and the Parties hereby waive any objections to or claims of immunity in respect of such enforcement.

Consulting Firm:
 Assignment:
 Country:
 Date:

MODEL FORM I
 [See clause 6.2 (b)(i)]

Consultants' Representations Regarding Costs and Charges

We hereby confirm that (a) the basic salaries indicated below are taken from the firm's payroll records and reflect the current salaries of the staff members listed which have not been raised other than within the normal annual salary increase policy as applied to all the firm's staff; (b) attached are true copies of the latest salary slips of the staff members listed; (c) the overseas allowances indicated below are those that the Consultants have agreed to pay for this assignment to the staff members listed; (d) the factors listed below for social charges and overhead are based on the firm's average cost experience for the latest three years as represented by the firm's financial statement; and (e) said factors for overhead and social charges do not include any bonuses or other means of profit-sharing.

Name	Position	1 Basic Salary per working Month/Day/Hour	2 Social Charges (__% of 1)	3 Overhead (__% of 1)	4 Overseas Allowance (__% of 1)
------	----------	--	--------------------------------------	-----------------------------	--

(Expressed in [name currency])

_____ [Name of Consulting Firm]

By _____
 Authorized Representative

Name: _____

Title: _____

Date: _____

[Note: For field staff, use Basic Salary per Working Month; for home office staff, Basic Salary per Working Day or Hour. For field staff, also fill in Overseas Allowance, if any. This Form should not be part of the signed Contract but should be executed by the Consultants separately.]

Consulting Firm
Assignment:
Country :
Date:

MODEL FORM - II
(See notes to form on preceding
page and to Clause SC 6.2 (b) (i))

BREAKDOWN OF AGREED FIXED RATES IN CONSULTANTS' CONTRACTS

We hereby confirm that we have agreed to pay to the staff members listed, who will be involved in this assignment, the basic salaries and overseas allowances (if applicable) indicated below:

Name	Position	Basic Salary per Working Month/ Day/ Hour	Social Charges (__% of 1)	Overhead (__% of 1)	Sub Total	Fee (__% of 4)	Overseas/Field Allowance (__% of 1)	Agreed fixed rate per Working Month/Day/ Hour	Agreed Fixed Rate (__% of 1)
		1	2	3	4	5	6	7	8
[Expressed in _____ (name of currency)]									

Name:
Title:

Signature

Date

IV. APPENDICES

Appendix A: Description of the Services

[Give detailed descriptions of the Services to be provided; dates for completion of various tasks, place of performance for different tasks; specific tasks to be approved by Client, etc.]

Appendix B: Reporting Requirements

[List format, frequency, contents of reports and number of copies; persons to receive them; dates of submission, etc. If no reports are to be submitted, state here "Not applicable".]

Appendix C: Key Personnel and Sub-consultants

- [List under:
- C-1 *Titles [and names, if already available], detailed job descriptions and minimum qualifications. experience of Personnel to be assigned to work in India, and staff-months for each.*
 - C-2 *Same information as C-1 for Key local Personnel.*
 - C-3 *Same as C-1 for Key foreign Personnel to be assigned to work outside India.*
 - C-4 *List of approved Sub-consultants [if already available]; same information with respect to their Personnel as in C-1 through C-4)]*

Appendix D: Medical Certificate

[Show here an acceptable form of medical certificate for foreign Personnel to be stationed in India. If there is no need for a medical certificate, state here: "Not applicable."]

Appendix E: Hours of Work for Key Personnel

[List here the hours of work for key Personnel; travel time to and from the country of the Government (India) for foreign personnel. (Clause GC 4.4(a); entitlement, if any, to overtime pay, sick leave pay, vacation leave pay, etc.)]

Appendix F: Duties of the Client

[List here under:

- F-1 Services, facilities and property to be made available to the Consultants by the Client.*
- F-2 Counterpart personnel to be made available to the Consultants by the Client.]*

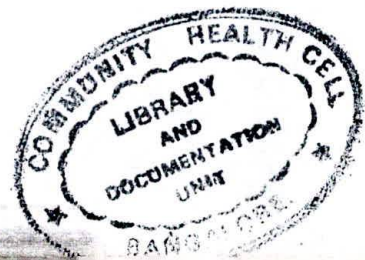
Appendix G: Cost Estimates in Foreign Currency

List here under cost estimates in foreign currency :

1. *Monthly rates for foreign Personnel (Key Personnel and other Personnel)*
2. *Reimbursable expenditures :*
 - a. *Per diem allowances.*
 - b. *Air transport for foreign Personnel.*
 - c. *Air transport for dependents.*
 - d. *Transport of personal effects.*
 - e. *International communications.*
 - f. *Printing of documents specified in Appendices A and B hereof.*
 - g. *Acquisition of specified equipment and materials to be imported by the Consultants and to be paid for by the Client (including transportation to India).*
 - h. *Other foreign currency expenditures, like use of computers, foreign training of Client's staff, various tests, etc.*

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Appendix H: Cost Estimates in Local Currency

List hereunder cost estimate in local currency :

1. *Monthly rates for local Personnel (Key Personnel and other Personnel)*
2. *Reimbursable expenditures as follows :*
 - a. *Per diem rates for subsistence allowance for foreign short-term Personnel, plus estimated totals.*
 - b. *Living allowances for long-term foreign Personnel, plus estimated totals.*
 - c. *Cost of local transportation.*
 - d. *Cost of other local services, rentals, utilities, etc.*

Appendix I: Form of Bank Guarantee for Advance Payments
(Reference Clause 6.4(a) of Contract)

(To be stamped in accordance with Stamp Act, if any, of the country of issuing bank)

Ref: _____ Bank Guarantee: _____

Date: _____

Dear Sir,

In consideration of M/s. _____ (hereinafter referred as the "Client", which expression shall, unless repugnant to the context or meaning thereof include its successors, administrators and assigns) having awarded to M/s. _____ (hereinafter referred to as the "Consultant" which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns), a contract by issue of client's Contract Agreement No. _____ dated _____ and the same having been unequivocally accepted by the Consultant, resulting in a Contract valued at _____ for _____ Contract (hereinafter called the "Contract")

(scope of work)

and the Client having agreed to make an advance payment to the Consultant for performance of the above Contract amounting to _____ (in words and figures) as an advance against Bank Guarantee to be furnished by the Consultant.

We _____ (Name of the Bank) having its Head Office at _____ (hereinafter referred to as the Bank), which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators executors and assigns) do hereby guarantee and undertake to pay the client immediately on demand any or all monies payable by the Consultant to the extent of _____ as aforesaid at any time upto _____ @ _____ without any demur, reservation, contest, recourse or protest and/or without any reference to the consultant. Any such demand made by the client on the Bank shall be conclusive and binding notwithstanding any difference between the Client and the Consultant or any dispute pending before any Court, Tribunal, Arbitrator or any other authority. we agree that the Guarantee herein contained shall be irrevocable and shall continue to be enforceable till the Client discharges this guarantee.

The Client shall have the fullest liberty without affecting in any way the liability of the Bank under this Guarantee, from time to time to vary the advance or to extend the time for performance of the contract by the Consultant. The Client shall have the fullest liberty without affecting this guarantee, to postpone from time to time the exercise of any powers vested in them or of any right which they might have against the Client and to exercise the same at any time in any manner, and either to enforce or to forebear to enforce any covenants, contained or implied, in the Contract between the Client and the Consultant any

other course or remedy or security available to the Client. The bank shall not be relieved of its obligations under these presents by any exercise by the Client of its liberty with reference to the matters aforesaid or any of them or by reason of any other act or forbearance or other acts of omission or commission on the part of the Client or any other indulgence shown by the Client or by any other matter or thing whatsoever which under law would but for this provision have the effect of relieving the Bank.

The Bank also agrees that the Client at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance without proceeding against the Consultant and notwithstanding any security or other guarantee that the Client may have in relation to the Consultant's liabilities.

Notwithstanding anything contained herein above our liability under this guarantee is limited to _____ and it shall remain in force upto and including _____ and shall be extended from time to time for such period (not exceeding one year), as may be desired by M/s. _____ on whose behalf this guarantee has been given.

Dated this _____ day of _____ 19____ at _____

WITNESS

(signature)

(signature)

(Name)

(Name)

(Official Address)

Designation (with Bank stamp)

Attorney as per Power of

Attorney No. _____

Dated _____

Strike out, whichever is not applicable.

Note 1: The stamp papers of appropriate value shall be purchased in the name of bank who issues the "Bank Guarantee".

Note 2: The bank guarantee shall be from a Nationalized Indian Bank or reputed foreign Commercial Bank acceptable to client for Foreign Consultant. Bank guarantee furnished by Foreign consultant shall be confirmed by any Nationalized Bank in India.

NR/gs Thursday, May 20, 1999
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