

Section 9: Contract Forms

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Notice of Intention for Award of Contract

[on letterhead paper of the Employer]

[date of notification]

To: [name of the Bidder]
 Attention: [insert name of the Bidder's authorized representative]
 Address: [insert address of the Bidder's authorized representative]
 Telephone/Fax numbers: [insert telephone/fax numbers of the Bidder's authorized representative]
 E-mail Address: [insert e-mail address of the Bidder's authorized representative]

This is to notify you of our intention to award the contract [insert name of the contract and identification number, as given in the Bid Data Sheet]. You have [insert number of days as specified in ITB 40.1 of the BDS] days, from the date of this notification to (i) request for a debriefing in relation to the evaluation of your Bid, and/or (ii) submit a bidding-related complaint in relation to the intention for award of contract, in accordance with the procedures specified in ITB 45.1.

The summary of the evaluation are as follows:

1. List of Bidders

Name of Bidder	Bid Price as Read Out at Opening	Evaluated Bid Price

2. Reason/s Why Your Bid Was Unsuccessful

.....

3. The Successful Bidder

Name of Bidder:	
Address:	
Accepted Contract Amount:	
Duration of Contract:	
Scope of the Contract Awarded:	
Amount Performance Security Required:	

Authorized Signature:

Name and Title of Signatory:

Name of Agency:

Letter of Acceptance

[date]

To: [Name and address of the contractor]

Subject: Contract No. [please specify]

This is to notify you that your Bid dated [date] for execution of the [name of the contract and identification number, as given in the Bid Data Sheet] for the Contract Price in the aggregate of [amounts in words and figures] [name of currency], as corrected and modified in accordance with the Instructions to Bidders is hereby accepted by our Agency.

You are requested to furnish the Performance Security within 28 days in accordance with the Conditions of Contract and any additional security required as a result of the evaluation of your bid, using for that purpose one of the Performance Security Forms included in Section 9 (Contract Forms) of the Bidding Document.

Authorized Signature:

Name and Title of Signatory:

Name of Agency:

Attachment: Contract Agreement

Contract Agreement

THIS AGREEMENT made on the [*insert number*] day of [*insert month*], [*insert year*],

BETWEEN

(1) [*name of the employer*], a corporation incorporated under the laws of [*country of the Employer*] and having its principal place of business at [*address of the Employer*] (hereinafter called "the Employer"), and (2) [*name of the contractor*], a corporation incorporated under the laws of [*country of the contractor*] and having its principal place of business at [*address of the contractor*] (hereinafter called "the Contractor").

WHEREAS the Employer desires to engage the Contractor to design, manufacture, test, deliver, install, complete and commission certain Facilities, viz. [*list of facilities*] ("the Facilities") and the Contractor have agreed to such engagement upon and subject to the terms and conditions hereinafter appearing.

NOW IT IS HEREBY AGREED as follows:

Article 1 Contract Documents

1.1 Contract Documents (Reference GCC Clause 2)

The following documents shall constitute the Contract between the Employer and the Contractor, and each shall be read and construed as an integral part of the Contract:

- (a) This Contract Agreement and the Appendixes hereto
- (b) Letter of Bid and Price Schedules submitted by the Contractor
- (c) Special Conditions of Contract
- (d) List of Eligible Countries that was specified in Section 5 of the Bidding Document
- (e) General Conditions of Contract
- (f) Specifications
- (g) Drawings
- (h) Other completed Bidding Forms submitted with the Letter of Bid including the Letter of Attestation.
- (i) Any other documents forming part of the Employer's Requirements
- (j) Any other documents shall be added here¹

1.2 Order of Precedence (Reference GCC Clause 2)

In the event of any ambiguity or conflict between the Contract Documents listed above, the order of precedence shall be the order in which the Contract Documents are listed in Article 1.1 (Contract Documents) above.

1.3 Definitions (Reference GCC Clause 1)

Capitalized words and phrases used herein shall have the same meanings as are ascribed to them in the General Conditions.

¹ Tables of Adjustment Data may be added if the contract provides for price adjustment (see GCC 11).

Article 2
Contract Price and
Terms of Payment

2.1 Contract Price (Reference GCC Clause 11)

The Employer hereby agrees to pay to the Contractor the Contract Price in consideration of the performance by the Contractor of its obligations hereunder. The Contract Price shall be the aggregate of [*amounts of foreign currency in words*], [*amounts in figures*] as specified in Price Schedule No. 5 (Grand Summary), [*amounts of local currency in words*], [*amounts in figures*], or such other sums as may be determined in accordance with the terms and conditions of the Contract.

2.2 Terms of Payment (Reference GCC Clause 12)

The terms and procedures of payment according to which the Employer will reimburse the Contractor are given in the Appendix (Terms and Procedures of Payment) hereto.

The Contractor's invoices in accordance with Appendix 1 under the contract shall be certified by the Employer and payments will thereafter be made directly by ADB to the Contractor's account.

Article 3
Effective Date

3.1 Effective Date (Reference GCC Clause 1)

The Effective Date upon which the period until the Time for Completion of the Facilities shall be counted from is the date when all of the following conditions have been fulfilled:

- (a) This Contract Agreement has been duly executed for and on behalf of the Employer and the Contractor.
- (b) The Contractor has submitted to the Employer the performance security and the advance payment guarantee.
- (c) The Employer has paid the Contractor the advance payment.

Each party shall use its best efforts to fulfill the above conditions for which it is responsible as soon as practicable.

- 3.2** If the conditions listed under 3.1 are not fulfilled within 2 months from the date of this Contract notification because of reasons not attributable to the Contractor, the parties shall discuss and agree on an equitable adjustment to the Contract Price and the Time for Completion and/or other relevant conditions of the Contract.

² Or Uniform Customs and Practice for Documentary Credits 2007 Revision, ICC Publication No. 600 (or the latest version).

Article 4
Communications

- 4.1** The address of the Employer for notice purposes, pursuant to GCC 4.1 is: [*Employer's address*].

- 4.2** The address of the Contractor for notice purposes, pursuant to GCC 4.1 is: [*Contractor's address*].

**Article 5.
Appendixes**

- 5.1 The Appendixes listed in the attached List of Appendixes shall be deemed to form an integral part of this Contract Agreement.
- 5.2 Reference in the Contract to any Appendix shall mean the Appendixes attached hereto, and the Contract shall be read and construed accordingly.

IN WITNESS WHEREOF the Employer and the Contractor have caused this Agreement to be duly executed by their duly authorized representatives the day and year first above written.

Signed by, for and on behalf of the Employer

[*Signature*]

[*Title*]

in the presence of

[*Signature*]

[*Title*]

Signed by, for and on behalf of the Contractor

[*Signature*]

[*Title*]

in the presence of

[*Signature*]

[*Title*]

APPENDIXES

Appendix 1: Terms and Procedures of Payment

Appendix 2: Not used Appendix 3: Insurance Requirements

Appendix 4: Time Schedule

Appendix 5: List of Major Items of Plant and Services and List of Approved Subcontractors

Appendix 6: Scope of Works and Supply by the Employer

Appendix 7: List of Documents for Approval or Review

Appendix 8: Functional Guarantees

Appendix 1: Terms and Procedures of Payment

In accordance with the provisions of GCC Clause 12 (Terms of Payment), the Employer shall pay the Contractor in the following manner and at the following times, based on the Price Breakdown given in the section on Price Schedules and the Payment Procedures prescribed in Part B. Payments will be made in the currencies quoted by the Bidder unless otherwise agreed between the parties. Applications for payment in respect of part deliveries may be made by the Contractor as work proceeds.

- a) a statutory declaration (compliant with the legal requirements of whatever jurisdiction in which it is signed) confirming that all amounts owing to its employees, sub-contractors, consultants and experts have been paid; and
- b) any information or documentation in support of its payment claims sought by the Employer and as prescribed in Part B (Payment Procedures).

(A) Terms of Payment

Schedule No. 1 - Plant and Mandatory Spare Parts Supplied from Abroad

In respect of plant and mandatory spare parts supplied from abroad, the following payments shall be made:

Ten percent (10%) of the total CIP amount as an advance payment against receipt of invoice and an irrevocable advance payment security for the equivalent amount made out in favor of the Employer. The advance payment security may be reduced in proportion to the value of the plant and mandatory spare parts delivered to the site, as evidenced by delivery documents.

Eighty percent (80%) of the total or pro rata CIP or amount upon Incoterm "CIP," upon delivery to the site within 45 days after receipt of invoice.

Five percent (5%) of the total or pro rata CIP or amount upon issue of the Completion Certificate, within 45 days after receipt of invoice.

Five percent (5%) of the total or pro rata CIP or amount upon issue of the Operational Acceptance Certificate, within 45 days after receipt of invoice.

Schedule No. 2 - Plant and Mandatory Spare Parts Supplied from Within the Employer's Country

In respect of plant and mandatory spare parts supplied from within the Employer's country, the following payments shall be made:

Ten percent (10%) of the total EXW amount as an advance payment against receipt of invoice, and an irrevocable advance payment security for the equivalent amount made out in favor of the Employer. The advance payment security may be reduced in proportion to the value of the plant and mandatory spare parts delivered to the site, as evidenced by delivery documents.

Eighty percent (80%) of the total or pro rata EXW amount upon Incoterm "Ex-Works," upon delivery to the site within 45 days after receipt of invoice.

Five percent (5%) of the total or pro rata EXW amount upon issue of the Completion Certificate, within 45 days after receipt of invoice.

Five percent (5%) of the total or pro rata EXW amount upon issue of the Operational Acceptance Certificate, within 45 days after receipt of invoice.

Schedule No. 3 - Design Services

In respect of design services for both the foreign currency and the local currency portions, the following payments shall be made:

Ten percent (10%) of the total design services amount as an advance payment against receipt of invoice and an irrevocable advance payment security for the equivalent amount made out in favor of the Employer.

Ninety percent (90%) of the total or pro rata design services amount upon acceptance of design by the Project Manager within 45 days after receipt of invoice.

Schedule No. 4 - Installation and Other Services

In respect of installation services for both the foreign and local currency portions, the following payments shall be made:

Ten percent (10%) of the total installation and other services amount as an advance payment against receipt of invoice and an irrevocable advance payment security for the equivalent amount made out in favor of the Employer. The advance payment security may be reduced in proportion to the value of work performed by the Contractor as evidenced by the invoices for installation services.

Eighty percent (80%) of the measured value of work performed by the Contractor, as identified in the said Program of Performance, during the preceding month, as evidenced by the Employer's authorization of the Contractor's application, will be made monthly within 45 days after receipt of invoice.

Five percent (5%) of the total or pro rata value of installation services performed by the Contractor as evidenced by the Employer's authorization of the Contractor's monthly applications, upon issue of the Completion Certificate, within 45 days after receipt of invoice.

Five percent (5%) of the total or pro rata value of installation services performed by the Contractor as evidenced by the Employer's authorization of the Contractor's monthly applications, upon issue of the Operational Acceptance Certificate, within 45 days after receipt of invoice.

In the event that the Employer fails to make any payment on its respective due date, the Employer shall pay to the Contractor interest on the amount of such delayed payment at the rate of zero-point-five percent (0.5%) per month for period of delay until payment has been made in full.

(B) Payment Procedures

When applying for certification and making payments as provided in Appendix 1, the procedures shall be as follows:

1. Currencies for Payment

All payments shall be made in the currency or currencies specified in the Price Schedules (GCC Sub-Clause 12.4).

2. Payment Applications and Certificates

2.1 The Contractor shall submit to the Project Manager a Payment Application in writing for any payments he considers due to him under the Contract (Appendix 1), along with documentary evidence that sub-clauses 2.10, 2.11, 2.12, 2.13 and 2.14 and other sub-clauses of Section 6- Employer's Requirements or any other Section of the Contract as may be applicable have been complied with. The Payment Application shall be in a form approved by the Project Manager.

2.2 The Payment Application shall state the amount claimed by the Contractor and shall describe as appropriate the Plants and Equipment delivered and installed and services performed. The Payment Application shall be accompanied by any and all supporting documents, including data, information, reports, records, and/or evidence, as well as any other documents (with due reference to the applicable Section and its sub-clause (s) of the Contract) that may be reasonably required by the Project Manager to process payments.

The Payment Application shall state:

- (1) the total cumulative amount certified by the Project Manager up to the previous Payment Certificate;
 - (2) the amount of application for the month; and
 - (3) the total of (1) and (2);
 - (4) the amount certified with respect to Change Order pursuant to GCC Clause 39;
 - (5) the amount certified with respect to Change in Laws and Regulations pursuant to GCC Sub-Clause 36.1;
 - (6) the amount of claim paid/pending pursuant to Article 5 of Payment Procedure hereof; and
 - (7) any other additions to or deductions from the Contract Price certified pursuant to the terms of the Contract.
- 2.3 A Payment Certificate shall be issued promptly by the Project Manager but not later than thirty (30) days after receipt by the Project Manager of the corresponding Payment Application, provided the Payment Application shall always be complete with the supporting documents. With respect to the local currency portion, payments shall be made to the Contractor within sixty (60) days after the issue of the corresponding Payment Certificate. If there is an insufficiency of the supporting details, the Project Manager shall certify and process payment of the amount to the extent substantiated by the Contractor in the Payment Application.

3. Payment for Installation and Other Services

- 3.1 The prices of the Installation and Other Services are the prices of "Design Services" and "Installation and Other Services" quoted in the Price Schedules.
- 3.2 The Payment Application for Installation Services and Other Services shall be based on the progress of work in percentage achieved with respect to each pay item set forth in the Price Schedules. Unless otherwise agreed in the Contract, the Contractor shall, within one month of

the Effective Date of Contract, submit to the Project Manager for approval a proposed formula for calculation of monthly payments based on the progress percentage, which shall be applicable during the whole period of the Installation and Other Services. The formula shall be proposed with respect to "Design Services" and "Installation and Other Services" separately.

- 3.3 As detailed design of the Installation and Other Services progress, the Contractor shall submit to the Project Manager estimated quantities, where appropriate, of each pay item of the Installation Services specified in the Price Schedule.

Simultaneously, the Contractor shall submit to the Project Manager for information a progress payment schedule for the whole period of the Installation Services in accordance with the approved Program of Performance as stipulated in GCC Sub-Clause 18.2 of the General Conditions of Contract.

- 3.4 The Payment Application shall be accompanied by all drawings, reports, records of measurements and calculations to support the progress percentage stated in the Payment Application. The progress percentage achieved during a month shall be agreed upon by the Employer's site supervisor (s) in advance of preparation of the Payment Application.

No adjustment to the Contract Price shall be made as a result of an increase or decrease in the quantity of the work estimated by the Contractor.

- 3.5 The Project Manager shall, after due examination of the Contractor's Application and supporting details, issue a Payment Certificate to the Contractor.

- 3.6 With respect to the additional payment pursuant to Article 5 (Claims) hereunder, ninety percent (90%) of the amount of payment certified in the Payment Certificate shall be paid to the Contractor during the progress, with ten percent (10%) thereof kept as a retention money half of which will be paid against the Contractor's presentation of the Operational Acceptance Certificate for the related part of the Facilities and another half of which will be paid against the Contractor's presentation of the Defect Liability Certificate for entire Facilities.

4. Corrections to Payment Certificates

The Project Manager may, in any Payment Certificate, make any correction or modification that should properly be made with respect to any previous Payment Certificate.

5. Claims

5.1 Procedure

In any case where under the General and Special Conditions of Contract there are circumstances which the Contractor considers that it is entitled to claim additional payment, the Contractor shall, if he intends to make any claim for additional payment, give to the Project Manager notice describing the event or circumstance giving rise to the claim. The notice shall be given as soon as practicable and not later than 28 days after the Contractor became aware, or should have been aware, of the event or circumstance. If the Contractor fails to give notice of a claim within such period of 28 days, the Contractor shall not be entitled to additional payment, and the Employer shall be discharged from all liability in connection with the claim. Otherwise, the following provisions of this Article shall apply.

Within 42 days after the Contractor become aware (or should have become aware) of the event or circumstance giving rise to the claim, or such other period as may be proposed by the Contractor and approved by the Project Manager, the Contractor shall send to the Project Manager a fully

detailed claim which include full supporting particulars of the basis of the claim and additional payment claimed. The Contractor shall thereafter promptly submit such further particulars as the Project Manager may reasonably require to assess the validity of the claim. In the event or circumstance giving rise to the claim has a continuing effect, or the supporting details are not sufficient to substantiate the whole claim, the Contractor shall be entitled to payment for such part of the claim as has been substantiated.

5.2 Assessment

When the Project Manager has received full and detailed particulars of the Contractor's claim or part thereof in accordance with Sub-Article 5.1 above and such further particulars as he may reasonably have required, he shall determine whether the Contractor is entitled to additional payment and notify the parties accordingly. Changes in the Facilities shall be valued pursuant to GCC Clause 39. The Project Manager may reject any claim for additional payment which does not comply with the requirements of this Article.

6. Invoiced Amount for intermediated payment

Payments for intermediate payments, such as payment on delivery of Plants to the Site, progress payments, etc, will be made in accordance with the expected progress of the contract, with not more than one payment made in each quarter against submission of a Payment Application. The Project Manager is entitled to request the Contractor to combine its invoices to achieve a reasonable payment interval of not more than two months and/or payment amount.

Appendix 2: Not Used

Appendix 3: Insurance Requirements

(A) Types of Insurance to Be Taken Out by the Contractor

In accordance with the provisions of GCC Clause 34, the Contractor shall at its expense take out and maintain in effect, or cause to be taken out and maintained in effect, during the performance of the Contract, the types of insurance set forth below in the sums and with the deductibles and other conditions specified. The identity of the insurers and the form of the policies shall be subject to the approval of the Employer, such approval not to be unreasonably withheld.

(a) Cargo Insurance

Covering loss or damage occurring, while in transit from the supplier's or manufacturer's works or stores until arrival at the Site, to the Facilities (including spare parts therefore) and to the construction equipment to be provided by the Contractor or its Subcontractors.

Amount [in currency(ies)]	Deductible limits [in currency(ies)]	Parties insured [names]	From [place]	To [place]
110% of freight value	USD \$50,000	The Employer and the Contractor jointly	{TBA}	Project Site

(b) Installation All Risks Insurance

Covering physical loss or damage to the Facilities at the Site, occurring prior to completion of the Facilities, with an extended maintenance coverage for the Contractor's liability in respect of any loss or damage occurring during the defect liability period while the Contractor is on the Site for the purpose of performing its obligations during the defect liability period.

Amount [in currency(ies)]	Deductible limits [in currency(ies)]	Parties insured [names]	Place
The contract Price	USD 50,000	The Employer and the Contractor jointly	The whole of the Solomon Islands

(c) Third Party Liability Insurance

Covering bodily injury or death suffered by third parties (including the Employer's personnel) and loss of or damage to property (including the Employer's property and any parts of the Facilities that have been accepted by the Employer) occurring in connection with the supply and installation of the Facilities.

Amount [in currency(ies)]	Deductible limits [in currency(ies)]	Parties insured [names]	Place
USD 10,000,000	USD 50,000	Employer and Contractor jointly	The whole of the Solomon Islands

(d) Automobile Liability Insurance

Covering use of all vehicles used by the Contractor or its Subcontractors (whether owned by them or not) in connection with the supply and installation of the Facilities. Comprehensive insurance in accordance with statutory requirements.

(e) Workers' Compensation

In accordance with the statutory requirements applicable in any country where the Facilities or any part thereof is executed.

(f) Employer's Liability

In accordance with the statutory requirements applicable in any country where the Facilities or any part thereof is executed.

(g) Other Insurance

The Contractor is also required to take out and maintain at its own cost the following types of insurance: Nothing specified.

The Employer shall be named as co-insured under all insurance policies taken out by the Contractor pursuant to GCC Subclause 34.1, except for the Third Party Liability, Workers' Compensation, and Employer's Liability Insurance, and the Contractor's Subcontractors shall be named as co-insureds under all insurance policies taken out by the Contractor pursuant to GCC Subclause 34.1, except for the Cargo, Workers' Compensation and Employer's Liability Insurance. All insurer's rights of subrogation against such co-insureds for losses or claims arising out of the performance of the Contract shall be waived under such policies.

(B) Types of Insurance to Be Taken Out by the Employer

The Employer shall at its expense take out and maintain in effect during the performance of the Contract the following insurance policies.

Details:

Amount [in currency(ies)]	Deductible limits [in currency(ies)]	Parties insured [names]	From [place]	To [place]

Appendix 4: Time Schedule

Milestone	Days (from Effective Date)
Design acceptance (issued for construction)	120 days
Orders for major equipment issued	180 days
Approval of CEMP	210 days
Mobilisation to site Mobilisation is not allowed until: -CEMP is approved -Insurances (in accordance with Solomon Islands legislation) are in place and certificates provided	270 days
Completion of first sub-project	500 days
Commissioning of first sub-project	560 days
Completion of all subprojects	730 days
Commissioning of all subprojects	790 days

Major equipment is:

- Solar PV modules
- BESS modules
- Inverters
- Transformers
- Switchgear
- Cables

Appendix 5: List of Major Items of Plant and Services and List of Approved Subcontractors

A list of major items of plant and services is provided below.

The following Subcontractors and Manufacturers are approved for carrying out the item of the facilities indicated. Where more than one Subcontractor is listed, the Contractor is free to choose between them, but it must notify the Employer of its choice in good time prior to appointing any selected Subcontractor. In accordance with GCC Subclause 19.1, the Contractor is free to submit proposals for Subcontractors for additional items from time to time. No Subcontracts shall be placed with any such Subcontractors for additional items until the Subcontractors have been approved in writing by the Employer and their names have been added to this list of Approved Subcontractors.

Major Items of Plant and Services	Approved Subcontractors and Manufacturers	Nationalit y

Appendix 6: Scope of Works and Supply by the Employer

The following personnel, facilities, works, and supplies will be provided or supplied by the Employer, and the provisions of GCC Clauses 10, 21, and 24 shall apply as appropriate.

All personnel, facilities, works, and supplies will be provided by the Employer in good time so as not to delay the performance of the Contractor, in accordance with the approved Time Schedule and Program of Performance pursuant to GCC Subclause 18.2.

Unless otherwise indicated, all personnel, facilities, works, and supplies will be provided free of charge to the Contractor.

Personnel	Charge to Contractor (if any)

Facilities	Charge to Contractor (if any)
Construction power, water (to the extent they are already available at construction sites)	Applicable published commercial customer tariffs
Sanitation facilities, (to the extent they are already available at construction sites)	None

Works	Charge to Contractor (if any)
Switching as needed for pre-commissioning and commissioning during connection of subprojects to the grid	None

Supplies	Charge to Contractor (if any)

Appendix 7: List of Documents for Approval or Review

Pursuant to GCC Subclause 20.3.1, the Contractor shall prepare, or cause its Subcontractor to prepare, and present to the Project Manager in accordance with the requirements of GCC Subclause 18.2 (Program of Performance), the following documents for review:

The following list specifies expected documentation deliverables generally applicable to all subprojects. Additional detailed documentation deliverables for specific parts of the facilities are included in the Specifications.

	Deliverable	Version (IFU=issued for use; IFC=issued for constructio n)	Local language version	Required on a per- subproje ct basis
	General			
	Detailed monthly reports on progress and safeguards compliance			
	Evidence of application and issuance of required statutory permits and licenses			
	The sign board design to be prepared as per the Employer's Requirements.			
	Preliminary (within 3 months of commencement)			
1	HSE safety management plan (SMP), work method statements, job hazard analysis, safety in design review and emergency evacuation plan.	Draft/IFU		
2	Drawing and design management plan including document naming and revisions / mark-up systems	Draft/IFU		
3	Project management plan (PMP)	Draft/IFU		
4	Quality Management Plan (QMP) and draft quality assurance manual (QAM)	Draft/IFU		
5	Document register	Draft/IFU, update when		Y

	Deliverable	Version (IFU=issued for use; IFC=issued for constructio n)	Local language version	Required on a per- subproje ct basis
		documents issued		
6	Notification prior to procurement of long lead time items	Draft/IFU		
7	Summary / overview of inspection test plan (ITP), inspection test checklists (ITC) and factory acceptance tests (FAT), including matrix of tests	Draft/IFU		
8	Hazardous material management plan, Emergency response plan, Decommission & disposal plan			
	Prior to site works			
1	Transport and logistics management plan	Draft / IFU		
2	General safety training plan	Draft / IFU		
3	Health awareness program plan	Draft / IFU		
4	Installation method, including construction schedule, site utilisation (laydown areas etc.), logistics, staff facilities (toilets, site office), waste management etc.	Draft / IFU		
5	Construction environmental management plan (CEMP)	Draft / IFU		
6	Safety data sheets (SDS) for all substances used on site	Draft / IFU		
7	Training and capacity building plan	Draft / IFU		
8	Commissioning management plan	Draft / IFU		
	During site works			
1	Monthly progress report, including safeguards monitoring	Final	YES	
2	Register of entries and exits on site and pre-start meetings	Final		Y
3	Safety incident reporting	Final		
4	Environmental incident reporting	Final		
	Prior to Completion			
1	'As Installed' control system programs, configuration settings, and protection relay settings	Final		Y

	Deliverable	Version (IFU=issued for use; IFC=issued for constructio n)	Local language version	Required on a per- subproje ct basis
2	Technical data sheets of all major components	Final		Y
3	Manufacturer's software packages needed for future operation/maintenance.	Final		Y
4	Asset register hierarchy	Draft		Y
5	List of maintenance tools supplied	Final		Y
6	List of other tools Employer should hold	Final		
7	List of spare parts and consumables supplied	Final		Y
8	Signage for standard operational procedures	Draft / IFU	YES	Y
9	Six hard copies and one soft copy (in a freely printable format) of Operations and Maintenance Manuals of the facilities including all OEM documentation and any required log books	Draft / IFU	YES (excluding manufacturer specific documentatio n)	Y
10	Ten year maintenance schedule	Draft / IFU	YES	Y
11	Preventative maintenance requirements	Draft / IFU		
12	Asset management plan	Draft / IFU		
13	Detailed pre-commissioning and test report	Draft / Final		Y
14	Red line drawings suitable for operation (at handover/completion)	IFU		Y
15	Independent engineer electrical safety certificate	Preliminary / Final		Y
	Within four (4) months of Completion			
1	Commissioning / Functional guarantee test report	Draft / Final		Y
2	'As Installed or As-built' drawings & data sheets (electrical, layout, structural, communications and civil).	Final		Y
3	Completed asset register	Final		Y

	Deliverable	Version (IFU=issued for use; IFC=issued for constructio n)	Local language version	Required on a per- subproje ct basis
5	Completed ITCs and quality documentation (consolidated package)	Final		Y

Appendix 8: Functional Guarantees

1. General

This Appendix sets out

- (a) the functional guarantees referred to in GCC Clause 28 (Functional Guarantees)
- (b) the preconditions to the validity of the functional guarantees, either in production and/or consumption, set forth below
- (c) the minimum level of the functional guarantees
- (d) the formula for calculating liquidated damages for failure to attain the functional guarantees.

2. Preconditions

The Contractor gives the functional guarantees (specified herein) for the facilities, subject to the following preconditions being fully satisfied:

3. Functional Guarantees

Subject to compliance with the foregoing preconditions, the Contractor guarantees as follows:

3.1 Production Capacity

Functional Guarantee	Min. Requirements	ERQ ref.
Henderson Solar Farm		
Plant DC Capacity	1,000 kWp	Commissioning: mechanical tests
Performance Ratio (PR) as per PVsyst report	85%	Commissioning: PR tests
Plant AC capacity	800 kWac	Commissioning: AC derived from PR tests
Availability	95%	End of year 1
Honiara Substation BESS		
Battery size (BOL)	4000 kVA/4,000 kWh	Commissioning: mechanical tests
Battery round trip efficiency (RTE)	90%	Commissioning of the battery
Battery SOH	100%	Commissioning of the battery
Honiara East Substation BESS		
Battery size (BOL)	5000 kVA/20,000 kWh	Commissioning: mechanical tests
Battery round trip efficiency (RTE)	90%	Commissioning of the battery
Battery SOH	100%	Commissioning of the battery

Ambu Solar Hybrid		
Solar PV Plant		
Plant DC capacity	1,500 kWp	Commissioning: mechanical tests
Performance Ratio (PR) as per Pvsyst report	85%	Commissioning: PR tests
Plant AC capacity	1,200 kWac	Commissioning: AC derived from PR tests
Availability	95%	End of year 1
BESS		
Battery size	1000 kVA/4,000 kWh	Commissioning: mechanical tests
Battery round trip efficiency (RTE)	90%	Commissioning of the battery
Battery SOH	100%	Commissioning of the battery
Solar PV School Rooftop (for each school)		
Solar PV Rooftop		
Plant DC Capacity	Minimum 15 kWp	
Performance Ratio (PR) as per Pvsyst report	Minimum PR is 85%	
Plant AC capacity	Minimum 12 kWac	

BESS		
Battery size	Minimum is 5 kVA/26 kWh	
Battery State of Health (SOH)	Minimum is 100%	
Battery round trip efficiency (RTE)	Minimum is 90%	
Transformers		
Substation Transformer's efficiency	98% (Full load)	Commissioning of the transformers

3.2

Raw Materials and Utilities Consumption

None

4. Failure in Guarantees and Liquidated Damages**4.1 Failure to Attain Guaranteed Production Capacity****4.1.1 – Ground-mounted PV plant (Sub-project specific)**

- **PV plants level: minimum yearly generation:**

Liquidated damages = (target - actual gen) in kWh x 0.293 USD/kWh x 25 years

- **DC capacity:**

Liquidated damages per each kWp (or part thereof) missing
= 1400 kWh x 0.70 (USD/kWh) x 25 years

- **AC capacity:**

Liquidated damages per each kWac missing
= 1650 kWh x 0.70 (USD/kWh) x 25 years

4.1.2 – BESS (Sub-Project Specific)

- **BESS level: minimum yearly SOH**

Liquidated damage for each 0.1% below the guaranteed SOH

$$= 0.1\% \times \text{BESS Capacity (kWh)} \times 0.70 \text{ (USD/kWh)} \times 365 \text{ days} \times 12 \text{ years} \times \text{RTE (0.9)}$$

- **BESS level: minimum yearly RTE**

Liquidated damage for each 0,1% below the guaranteed RTE

$$= 0.1\% \times \text{BESS Capacity (kWh)} \times 0.70 \text{ (USD/kWh)} \times 365 \text{ days} \times 12 \text{ years}$$

- **BESS level: minimum yearly BESS capacity**

Liquidated damages for each 1% of the kVA capacity of the battery below BESS Capacity (kVA or kW)

$$= 1\% \times \text{BESS contract value}$$

Liquidated damages for each 1% of the kWh capacity of the battery below BESS Capacity (kWh)

$$= 1\% \times \text{BESS contract value.}$$

4.1.3 – Solar Roof top

- **PV plants level: minimum yearly generation:**

$$\text{Liquidated damages} = (\text{target} - \text{actual gen}) \text{ in kWh} \times 0.70 \text{ (USD/kWh)} \times 25 \text{ years}$$

- **DC capacity:**

Liquidated damages per each kWp (or part thereof) missing

$$= 1300 \text{ kWh} \times 0.70 \text{ (USD/kWh)} \times 25 \text{ years}$$

- **AC capacity:**

Liquidated damages per each kWac missing

$$= 1500 \text{ kWh} \times 0.70 \text{ (USD/kWh)} \times 25 \text{ years}$$

4.1.4 – Transformer (Sub-Project specific)

- **Transformer: minimum transformer efficiency**

Liquidated damage for each 0.1% below the guaranteed minimum

$$= 0.1\% \times (\text{Capacity in kW}) \times 0.70 \text{ (USD/kWh)} \times 365 \text{ days} \times 12 \text{ hours} \times 3 \text{ years}$$

4.2 Raw Materials and Utilities Consumption in Excess of Guaranteed Level

Not Applicable.

4.3 Minimum Levels

Notwithstanding the provisions of this paragraph, if as a result of the guarantee test(s), the following minimum levels of performance guarantees (and consumption guarantees) are not attained by the Contractor, the Contractor shall at its own cost make good any deficiencies until the Facilities reach any of such minimum performance levels, pursuant to GCC Subclause 28.2:

(a)

Functional Guarantee	Min. Requirements
Henderson Solar Farm	
Plant DC Capacity	1,000 kWp
Performance Ratio (PR) as per PVsyst report	85%
Plant AC capacity	800 kWac
Availability	95%
Honiara East Substation BESS	
Battery size (BOL)	5000 kVA/20,000 kWh
Battery round trip efficiency (RTE)	90%
Battery SOH	100%
Honiara Substation BESS	
Battery size (BOL)	4000 kVA/4,000 kWh
Battery round trip efficiency (RTE)	90%
Battery SOH	100%
Ambu Solar Hybrid	
Solar PV Plant:	

Plant DC capacity	1,500 kWp
Performance Ratio (PR) as per Pvsyst report	85%
Plant AC capacity	1,200 kWac
Availability	95%
BESS:	
Battery size	1000 kVA/4,000 kWh
Battery round trip efficiency (RTE)	90%
Battery SOH	100%
Solar PV School Rooftop (for each school)	
Solar PV Rooftop	
Plant DC Capacity	Minimum 15 kWp
Performance Ratio (PR) as per Pvsyst report	Minimum PR is 85%
Plant AC capacity	Minimum 12 kWac
BESS:	
Battery size	Minimum is 5 kVA/26 kWh
Battery State of Health (SOH)	Minimum is 100%

Battery round trip efficiency (RTE)	Minimum is 90%
Transformers	
Substation Transformer's efficiency	98% (Full load)

4.4 Limitation of Liability

Subject to para. 4.3 above, the Contractor's aggregate liability to pay liquidated damages for failure to attain the functional guarantees shall not exceed ten percent (10 %) of the Contract price

Performance Security

[Bank's name, and address of issuing branch or office]

Beneficiary: [Name and address of the Employer]

Date:

Performance Guarantee No.:

We have been informed that [name of the contractor] (hereinafter called "the Contractor") has entered into Contract No. [reference number of the contract] dated [date] with you, for the execution of [name of contract and brief description of plant and services] (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, a performance guarantee is required.

At the request of the Contractor, we [name of the bank] hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of [name of the currency and amount in words]² [amount in figures] such sum being payable in the types and proportions of currencies in which the Contract Price is payable, upon receipt by us of your first demand in writing accompanied by a written statement stating that the Contractor is in breach of its obligation(s) under the Contract, without your needing to prove or to show grounds for your demand or the sum specified therein.

This guarantee shall expire no later than the earlier of

- (a) 18 months after our receipt of
 - (i) a copy of the Completion Certificate; or
 - (ii) a registered letter from the Contractor, attaching a copy of the notice to the project manager that the Facilities are ready for commissioning, and stating that 14 days have elapsed from receipt of such notice (or 7 days have elapsed if the notice was a repeated notice) and the project manager has failed to issue a Completion Certificate or inform the Contractor in writing of any defects or deficiencies; or
 - (iii) a registered letter from the Contractor stating that no Completion Certificate has been issued but the Employer is making use of the Facilities; or
- (b) the [date] day of [month], [year]³.

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

This guarantee is subject to the Uniform Rules for Demand Guarantees (URDG) 2010 Revision, ICC Publication No. 758, except that the supporting statement under Article 15 (a) is hereby excluded.

.....
[Signature(s) and seal of bank (where appropriate)]

² The guarantor shall insert an amount representing the percentage of the accepted contract amount specified in the contract and denominated either in the currency(ies) of the contract or in any freely convertible currency acceptable to the Employer.

³ Insert the expected expiration date of the Defect Liability Period. The employer should note that in the event of an extension of the time for completion of the contract, the Employer would need to request an extension of this guarantee from the guarantor. Such request must be in writing and must be made prior to the expiration date established in the guarantee. In preparing this guarantee, the Employer might consider adding the following text to the form, at the end of the penultimate paragraph: "The Guarantor agrees to a one-time extension of this guarantee for a period not to exceed [6 months][1 year], in response to the Employer's written request for such extension, such request to be presented to the Guarantor before the expiry of the guarantee."

-- Note to Bidder --

If the bank issuing performance security is located outside the Employer's country, it shall be counter-guaranteed or encashable by a bank in the Employer's country.

Advance Payment Security

[Bank's name, and address of issuing branch or office]

Beneficiary: [Name and address of the Employer]

Date:

Advance Payment Guarantee No.:

We have been informed that [name of the contractor] (hereinafter called "the Contractor") has entered into Contract No. [reference number of the contract] dated [date] with you, for the execution of [name of contract and brief description of plant and services] (hereinafter called "the Contract").

Furthermore, we understand that, according to the Conditions of the Contract, an advance payment in the sum [name of the currency and amount in words]⁴ [amount in figures] is to be made against an advance payment guarantee.

At the request of the Contractor, we [name of the bank] hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of [name of the currency and amount in words]⁵ [amount in figures] upon receipt by us of your first demand in writing accompanied by a written statement stating that the Contractor is in breach of its obligation under the Contract because the Contractor:

- (a) used the advance payment for purposes other than the costs of mobilization and cash flow support in respect of the Works; or
- (b) has failed to repay the advance payment when it has become due and payable in accordance with the conditions of the Contract, specifying the amount payable by the Contractor.

It is a condition for any claim and payment under this guarantee to be made that the advance payment referred to above must have been received by the Contractor on its account number [contractor's account number] at [name and address of the bank].

The maximum amount of this guarantee shall be progressively reduced by the amount of the advance payment repaid by the Contractor as indicated in copies of interim statements or payment certificates, which shall be presented to us. This guarantee shall expire, at the latest, upon our receipt of a copy of the interim payment certificate, indicating that 80% of the Contract Price has been certified for payment, or on the [date] day of [month], [year],⁶ whichever is earlier. Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees (URDG) 2010 Revisions, ICC Publication No. 758, except that the supporting statement under Article 15(a) is hereby excluded.⁷

.....
[Signature(s) and seal of bank (where appropriate)]

⁴ The guarantor shall insert an amount representing the amount of the advance payment denominated either in the currency(ies) of the advance payment as specified in the contract, or in any freely convertible currency acceptable to the Employer.

⁵ Footnote 1.

⁶ Insert the expected expiration date of the time for completion. The Employer should note that in the event of an extension of the time for completion of the contract, the Employer would need to request an extension of this guarantee from the guarantor. Such request must be in writing and must be made prior to the expiration date established in the guarantee. In preparing this guarantee, the Employer might consider adding the following text to the form, at the end of the penultimate paragraph: "The Guarantor agrees to a one-time extension of this guarantee for a period not to exceed [6 months] [1 year], in response to the Employer's written request for such extension, such request to be presented to the Guarantor before the expiry of the guarantee."

⁷ Or the Employer may use "Uniform Rules for Demand Guarantees (URDG), ICC Publication No. 458, except that subparagraph (ii) of Sub-article 20(a) is hereby excluded" as appropriate.



If the bank issuing advance payment security is located outside the Employer's country, it shall be counter-guaranteed or encashable by a bank in the Employer's country.