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## **Section - 2**

# **STANDARD FORMS [CONTRACT]**

- *Letter of Acceptance*
- *Agreement*
- *Performance Security*
- *Advance Payment Security*
- *Retention Money Guarantee*

Note:

It is the responsibility of the bidders to comply with all the requirements given in the bidding document. Failure to non compliance with any of them may be a reason for rejection of the bid.

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***Notes on Standard Forms:***

- Bidders shall submit the completed Form of Bid Security/Bid Securing Declaration as appropriate in compliance with the requirements of bidding documents.
- Bidders should not complete the Form of Agreement at the time of preparation of bids.
- The successful bidder will be required to sign the Form of Agreement, after the award of contract.
- Any corrections or modifications to the accepted bid resulting from arithmetic corrections, acceptable deviations, or quantity variations in accordance with the requirements of the bidding documents should be incorporated into the Agreement.
- The Form of Performance Security, Form of Advance Payment Security and Form of Retention Money Guarantee should not be completed by the bidders at the time of submission of bids.
- The successful bidder will be required to provide these securities in compliance with the requirements herein or as acceptable to the Employer.

# FORM OF LETTER OF ACCEPTANCE

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*[Letter heading paper of the procuring entity]*

-----[date]

To:-----

*[name and address of the Contractor]*

This is to notify you that your bid dated -----[insert date] for the construction and remedying defects of the ----- [ name of the Contract and identification number] for the Contract price of -----[ name of currency] ----- [amount in figures and words] as corrected in accordance with Instructions to Bidders and / or Bidders by a Memorandum of Understanding, is hereby accepted.

The adjudicator shall be -----[name and address of the Adjudicator, if agreed] shall be appointed by the Institute for Construction training and Development (ICTAD).

You are hereby instructed to proceed with the execution of the said Works in accordance with the Contract documents.

The Start Date shall be: ----- (fill the date as per Conditions of Contract).

The amount of performance Security is: ----- (fill as per Conditions of Contract).

The performance Security shall be submitted on or before ----- (fill the date as per Conditions of Contract).

Authorizes Signature : -----

Name and title of Signatory : -----

Name of Agency : -----



# **STANDARD FORM: AGREEMENT**

This AGREEMENT, made the ----- [day] day of -----[month] 20 -----  
[year] between the one part, and ----- [name and address of Employer]  
(hereinafter called "the Employer") of the one part, and -----  
-----[ name and address of Contractor] (hereinafter called "the Contractor") of the other part.

WHEREAS the Employer desires that the Contractor execute-----  
[name and identification number of Contract] (hereinafter called "the Works") and the Employer  
has accepted the bid by the Contractor for the execution and completion of such Works and the  
remedying of any defects therein.

NOW THIS AGREEMENT WITNESSETH as follows:

1. In this Agreement, words and expression shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to and they shall be deemed to form and be read and construed as part to this Agreement.
2. In consideration of the payments to be made by the Employer to the Contractor as hereinafter mentioned, the Contractor hereby covenants with the Employer to execute and complete the Works and remedy any defects therein in conformity in all respects with the provisions of the Contract.
3. The Employer hereby covenants to pay the Contractor in consideration of the execution and completion of the Works and the remedying of defects wherein the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.

In Witness whereof the parties thereto have caused this Agreement to be executed the day and year aforementioned, in accordance with laws of Sir Lanka.

.....  
**Authorized signature of Contractor**

.....  
**Authorized signature of Employer**

**COMMON SEAL**

**COMMON SEAL**

In the presence of:

Witnesses:

1. Name and NIC No. ....  
Signature. ....  
Address. ....
2. Name and NIC No. ....  
Signature. ....  
Address. ....

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## FORM OF ADVANCE PAYMENT SECURITY

-----[ Name and address of  
Agency, and Address of Issuing Branch or Office]

**Beneficiary: Municipal Commissioner, Colombo Municipal Council, Town Hall, Colombo 7**

**Date:** -----

**ADVANCE PAYMENT GUARANTEE No:** -----

We have been informed that -----[name of Contractor]  
(hereinafter called "the Contractor") has entered into Contract No: -----  
(reference number of the contract) dated -----with you, for -----  
----- (Name of contract) ( hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, an advance  
payment in the sum-----[ amount in figures] (-----  
-----) [ amount in words] is to be made against an advance payment guarantee.

At the request of the Contractor, we-----[name of issuing agency]  
hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of -  
-----[amount in figures] (-----) [amount in  
words] 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 in repayment of the Advance payment  
under the Contract.

The maximum amount of this guarantee shall be progressively reduced by the amount of the  
advance payment repaid by the Contractor.

guarantee shall expire on ----- [Insert the date, 28 days beyond the  
Intended Completion Date]

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

\_\_\_\_\_  
[signature(s)]



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# FORM OF PERFORMANCE SECURITY

(Unconditional)

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-----[Issuing

Agency's Name, and Address of Issuing Branch or Office]

**Beneficiary: Municipal Commissioner, Colombo Municipal Council, Town Hall, Colombo 7**

**Date:**-----

**PERFORMANCE GUARANTEE No.:**-----

We have been informed that -----[name of contractor]  
(hereinafter called "The contractor") has entered into Contract No. -----  
reference number of the contract) dated ----- with you, for -----  
----- (name of contract) (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 Agency]  
hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of -  
-----[amount in figures] (-----) [amount in words],  
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 ..... Day of -----20-----[insert date, 28  
days beyond the Intended Completion Date] and any demand for payment under it must be  
received by us at this office on or before that date.

-----  
[signature (s)]

## FORM OF RETENTION MONEY GUARANTEE

----- [Issuing Agency's  
Name and Address of Issuing Branch or Office]

**Beneficiary:** Municipal Commissioner, Colombo Municipal Council, Town Hall, Colombo 7.

**Date:** -----

**RETENTION MONEY GUARANTEE No:** -----

We have been informed that ----- [name of Contractor]  
(hereinafter called "the Contractor") has entered into Contract No. -----  
(reference number of contract) dated ----- with you, for the execution of -----  
----- (name of contract) (hereinafter called "the Contract").

Furthermore, we understand that, according to the conditions of the Contract, when the works have being taken over and the first half of the Retention Money has been certified for payment, payment of the second half of the Retention Money may be made against a Retention Money guarantee.

At the request of the Contractor, we ----- [name of agency]  
hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of -  
----- [amount in figures] (-----) [amount in words]  
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 has  
not attended to the defects in accordance with the Contract.

This guarantee shall expire, at the latest, ----- [insert 28 Days after the end of  
Defects Liability Period] Consequently, any demand for payment under this guarantee must  
be received by us at this office on or before that date.

[signature(s)]

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### **Section-3**

#### **CONDITIONS OF CONTRACT**

**Conditions of contract shall be read in conjunction with Section 5-  
Contract Data, which shall take precedence over the Conditions of  
Contract**



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**CONDITIONS OF CONTRACT :** Conditions of Contract that will be applicable for this Contract is that given in Section -03 of the Standard Bidding Document – Procurement of Works (ICTAD/SBD/01-2<sup>nd</sup> Edition , January 2007) & Addendum 01 issued in January 2009 & addendum 02 issued in February 2011 to the ICTAD Publication published by the Institute for Construction Training and Development (ICTAD / CIDA – Construction Industry Development Authority , “Savsiripaya”, 123 , Wijerama Mawatha , Colombo 07.

Section 3, Volume 1 of this publication will not be issued with the Bidding Document and the Bidder is advised to purchase it from ICTAD. (Now CIDA – Construction Industry Development Authority)

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**Section - 4**

**FORM OF BID AND QUALIFICATION  
INFORMATION**

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## Form of Bid

Name of Contract: Repairing of Damaged Sewer Across the Canal at Veluwana Road, Dematagoda

To: Municipal Commissioner, Colombo Municipal Council, Town Hall, Colombo 7.

Gentleman,

1. Having examined the Standard Bidding Document – Procurement of Works [ICTAD/SBD/01 - Second Edition, January 2007], Specifications, Drawings and Bills of Quantities and Addenda for the execution of the above-named works, we the undersigned, offer to execute and complete such Works and remedy any defect therein in conformity with the aforesaid Conditions of Contract, Specifications, Drawings, Bills of Quantities and addenda nos .....for the sum of Sri Lankan Rupees .....  
.....(LKR.....) or such other sums as may be ascertained in accordance with the said conditions.
2. I/We acknowledge that the Contract Data forms part of our Bid.
3. I/We undertake, if my/our Bid is accepted, to commence the Works as stipulated in the Contract Data, and to complete the whole of the Works comprised in the Contract within the time stated in the Contract Data.
4. I/We agree to abide by this Bid **till 23.10.2022** or for any extended period and it shall remain binding upon us and may be accepted at any time before the expiration of that period.
5. Unless and until a formal agreement is prepared and executed this Bid, together with your written acceptance thereof, shall constitute a binding contract between us.
6. I/We accept I/we do not accept the Adjudicator.
7. I/We understand that you are not bound to accept the lowest or any Bid you may receive.

Dated this .....day of .....20.....in the capacity of .....duly authorized to sign tenders for and on behalf of ..... (IN BLOCK CAPITALS)

Signature : ..... Name: .....

Designation : .....Address : .....

Witness Signature: ..... Name, Address, NIC number: .....



## Qualification Information

(To be completed and submitted by the bidder, with the

<b>ICTAD REGISTRATION</b>	
Registration number	(attach copies of relevant pages from the registration book)
Grade	
Specialty	
Expiry Date	
<b>Blacklisted Contractors</b>	
Have you been declared as a defaulted contractor by NPA or any other Agency? ( Yes/No)	
If yes provide details	
<b>VAT Registration Number</b>	
<b>Construction Program</b>	(attach as annex)
<b>Legal status</b>	(attach relevant status copies, as annex)
<b>Value of Construction works performed in last 5 years</b>	
(attach copies of Certificate of Completion etc and other documents such as profit-loss and income expenditure statement)	
Year ....	
Year ....	
Year ....	
Year ....	
Year ....	
<b>Value of similar works completed in last 5 year (indicate only the three largest projects)</b>	
1. Value _____	Year .....
2. Value _____	Year .....
3. Value _____	Year .....
(attach copies of certificate of completion etc., as annex)	
<b>Qualification and experience of Technical Staff at site</b>	<b>Technical:</b> <b>1. A qualified Civil Engineer</b> <b>2. A qualified Technical Officer in therelevant field</b>  (attach educational, professional, experience certificates of each person)

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## **Section - 5**

### **BIDDING DATA AND CONTRACT DATA**

**G. Bidding Data****Instructions to Bidders****Clause Reference****(1.1) The Employer is**

Name: Colombo Municipal Council  
Address: Town Hall, Colombo 7.

The Work consists of: Repairing of Damaged Sewer Across the Canal  
(Contract number ME/ME/DR/291/2021) located at: Veluwana Road, Dematagoda

Intended Completion Date is **180 Days** from the start Date.

**(1.2) The office for collection of bid form is:**

Projects Management Division, Town Hall, Colombo 7.

The non-refundable fee is Rs.5400.00(including VAT)

The Bid forms will be issued **till 10.00 hours 25.04.2022**

**(2.1) The source of funds is: Colombo Municipal Council****(4.2) The registration required**

Specialty: **Water Supply and Sewerage contractors**

Grade: **CIDA grade C6&C7**

**(4.3) The following information shall be provided in section 4:**

- ❖ CIDA Registration;  
Registration number  
Grade  
Specialty  
Expiry Date
- ❖ VAT Registration number
- ❖ Construction Programme
- ❖ Legal Status (Sole Proprietor, Partnership, Company etc.)
- ❖ Qualifications and experience of key site management and technical personnel proposed for the Contract;

**(4.4) 1. A qualified Civil Engineer**

2. A qualified Technical Officer in the relevant field

**(9.1) Employer's address for the purpose of clarification is;**

Name: Director Engineering (Projects)  
Address: Projects Management Division, Colombo Municipal Council, Town Hall,  
Colombo 07.  
Fax: 0112692403  
E-mail: dirproj@colombo.mc.gov.lk



- (11.1) The language of the bidding document shall be English.
- (12.0) Any other information required to be completed and submitted with the bid.
- a) Bidders whose Bids are over Rs. 5.0Million should submit PCA 3 after registration with the Public contract registrar.
- b) Proof documents pertained with invitation for bids and with above 4.3, 4.4
- (13.3) VAT component shall not be included in the rates. The amount written in the Form of Bid shall be without VAT. However VAT component shall be shown separately at the end of the BOQ.
- (13.4) The Contract is subjected to price adjustment in accordance with Claus 47 of the Conditions of Contract.
- (15.1) **The Bid shall be valid till 23.10.2022**
- (16.1) Bid shall include a Bid Security using the form included in Section 9.
- (16.2) **Bid Security shall be:**
- For an amount **Rs.120,000.00**
  - **Valid until-22.11.2022**
  - Issued by a reputed Bank or Insurance Company registered to undertake businesses in Sri Lanka using the form for bid security (unconditional on demand guarantee) included in Section 9, Standard Forms.
- (17.0) Pre- Bid meeting – **No pre- bid meeting**
- (19.2) a. The Employer's address for the purpose of Bid submission is  
Municipal Commissioner, Colombo Municipal Council,  
Town Hall, Colombo 7.
- (19.2) b. Contract name: Repairing of Damaged Sewer Across the Canal at Veluwana Road, Dematagoda  
Contract no: ME/ME/DR/291/2021
- (19.2) c. Bidders name & address should not be written on each envelop. That any words mark or other reference on the cover or envelop identifying the name of the Bidder with change the Bid to be invalid.
- (20.1) **The deadline for submission of Bids shall be till 10.00 hours on 26.04.2022**
- (34.0) The performance security shall be **5%** of the Initial Contract Price mentioned in the Letter of Acceptance or as per the Public Finance Circular 03/2020(i) v. dated 11.01.2021

**(36.0)** The process of appointment of the Adjudicator shall be executed in accordance with the conditions of contract at a date during the contract when parties agree such an appointment is worthwhile.

Fees and types of reimbursable expenses to be paid to the Adjudicator shall be on a case to case and shall be shared by the Contractor and the Employer.

**Contract Data**

(Please note that the Clause nos, given hereunder are that of Conditions of Contract)

**(1.0) The Employer is**

Name: Colombo Municipal Council

Address: Town Hall, Colombo 7.

Name of Authorized Representative: Municipal Commissioner, Colombo  
Municipal Council.

**(1.0) The Engineer is**

Name : Deputy Municipal Commissioner (Engineering Services)

Address : Municipal Engineers' Department, Colombo Municipal Council,  
Town Hall, Colombo 7.

Name of Engineer's Representative: Director Engineering (Projects),  
Colombo Municipal Council.

**(1.0) The works consists of Repairing of Damaged Sewer Across the Canal,  
Contract number is ME/ME/DR/291/2021  
The Site is Located at Veluwana Road, Dematagoda****(1.0) The Start Date shall be 21 days from the Letter of Acceptance****(2.2) Sectional Completion of work is specified as follows.  
Not applicable****(2.3) The following documents also form part of the Contract: Not applicable****(8.1) Schedule of other contractors: None****(9.1) Schedule of key personnel:**

Minimum persons with qualifications and experience to be defined,

**1. A qualified Civil Engineer for the Project**

**2. A qualified Technical Officer in the relevant field**

**(13.1) The minimum insurance covers shall be (shall be valid till the end of defect liability period of the contract. It is the responsibility of the contractor to extend the validities of insurance covers for any extended time of defect liability period without any notification by the employer):**

- (a) \*
- The minimum cover for insurance of the Works and of plant and Materials is 110% of Initial Contract Price
  - The maximum deductible for insurance of the Works and of Plant and Materials is 5% of Initial Contract Price



- (b) \* The minimum cover for loss or damage to Equipment is 5% of Initial Contract Price
- The maximum deductible for insurance of Equipment is 5% of Minimum cover.
- (c) \* The minimum cover for insurance of other property (other than the site) is 5% of Initial Contract Price.
- (d) The minimum cover for personal injury or death,
- \* for third party and employees of the Employer and other Persons engaged by the Employer in the Works is Rs. 200,000.00 per event.
- (13.2)** The minimum cover for personal injury or death shall be (shall be valid till the end of defect liability period of the contract. It is the responsibility of the contractor to extend the validities of insurance covers for any extended time of defect liability period without any notification by the employer)
- for the Contractor's workmen is Rs. 200,000.00 per event
  - Contractor's employees other than workmen are Rs. 200,000.00 per event.
- (14.1)** The following site investigation reports are annexed as Appendices:
- No appendices**
- (17.1)** The intended Completion Date for the whole of works shall be **180 days**
- (21.1)** The site Possession Date shall be **14 Days** from Letter of Acceptance
- (27.1)** The Contractor shall submit a programme for the works within **14 days** of delivery of the Letter of Acceptance.
- (27.3)** The Contractor shall submit updated program of work for every ----- days.  
Not applicable
- (27.4)** Withholding amount for not complying with above 27.1 & 27.3. Not applicable
- (35.1)** The Defects Liability Period is **365 Days**
- (39.2)** Engineer may order variations in such a way that contract value of the project is not exceeded.
- (42.1)** The minimum interim payment certificate amount is **5% of the contract sum**
- (47.1)** The contract price is **subjected to price adjustment**

Formula used to calculate price Fluctuation

$$F = 0.869 \times (V - V_{na}) \times \frac{(I_{tc} - I_{tb})}{I_{tb}}$$

$$V = (V_c + M_c) - (V_p + M_p)$$

$$V_{na} = (V_{nac} - V_{nap})$$

### Non-Adjustable elements

The following elements do not consider for the Price fluctuations.

- Preliminaries
- Demolishing (Items 2.1.1, 2.1.2)
- Provisional Sum Items
- Items (2.3 & 2.14)
- Additional Works

**(48.1)** The retention from each payment shall be **10%** of the certified work done. The limit of retention shall be **5%** of the Initial Contract price.

**(49.1)** The liquidated damages for the whole of the works shall be Rs. **2000** per Day. The maximum amount of liquidated damage for the whole of the Works shall be **10%** of the Contract price.

**(51.1)** Contractor shall be paid an advance payment only on submission of an unconditional Bank Guarantee obtained from a reputed Bank registered in Central Bank of Sri Lanka. The value of the Bank guarantee shall be equivalent to the eligible amount calculated as per conditions of contract and it shall be valid till the end of intended completion date or an extension of intended completion date. Contractor shall extend the validity of the Bank guarantee for extension of intended completion date without any notification by the employer. Employer shall demand the advance payment guarantee for such failure of the contractor to extend its validity without any notification to the contractor.

**(52.1)** The performance security shall be **5%** or as per the Public Finance Circular 03/2020(i) v. of the Initial Contract Price. This security shall be unconditional on demand and of the Initial Contract Price. This security shall be unconditional on demand and valid till 28 days beyond the intended completion date or any extended intended completion date. Contractor shall extend the validity of performance security for any extension of intended completion date without any notification by the employer. Employer shall demand the performance security for such failure of the contractor to extend its validity without any notification to the contractor.

**(60.1)** The percentage to apply to the value of the work not completed, representing the Employer's additional cost for completing the Works, is **25%**