



OMIFCO

# IMS FORMAT

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## TITLE : OMIFCO STANDARD TERMS & CONDITIONS FOR TENDER/RFQ & ORDER

### 1. DEFINITIONS

Unless the context otherwise requires:

**APPROVED VENDOR LIST or AVL:** means the list/database of pre-qualified Vendors who are certified and approved by OMIFCO;

**BID BOND:** means a form of bid security received from the tenderers at the time of submitting their Quotation;

**CONTRACTOR:** means any Vendor who has been selected by OMIFCO to supply goods and/or services to OMIFCO;

**GOODS:** shall mean the articles, materials, machinery, equipment, supplies drawings, data and other property and all services-including design, delivery, installation, inspection, testing and commissioning specified or required to complete the order including any spare parts;

**OMIFCO:** means Oman India Fertilizer Company SAOC;

**ORDER:** means a purchase order in writing (including any attachments thereof) which is issued by OMIFCO to the Vendor for supply of goods and /or services as the case may be, including at a minimum a description / specification of the materials/ services required by OMIFCO, price, delivery and payment terms;

**QUOTATION:** means a statement in writing submitted by a Vendor to OMIFCO including the scope of services, supply terms such as the price of goods or services (as the case may be), delivery, payment and other terms as applicable, including details relating to country of origin, date of manufacture, model and design details relating to any raw material or equipment to be purchased by OMIFCO;

**RFQ:** means requests for quotation sent to Vendors which could be in either of the following form:

- I. Single Stage Tender: a bidding process in which the technical and priced commercial terms are submitted by the Vendor in one proposal; or
- II. Two Stage Tender: a bidding process in which the technical and un-priced commercial terms are submitted in one envelope along with a Bid Bond (if required by OMIFCO), and the price bid in another envelope. Evaluation is done in two stages, and the price bid of those Vendors who are found technically unsuitable are not opened.

**VENDOR/SUPPLIER:** means any person, firm or company supplying, trading in goods or services;

### 2. REQUESTS FOR QUOTATION (RFQ) /TENDER ENQUIRY

**2.1. Notification by OMIFCO:** The Vendor shall receive a RFQ from OMIFCO via Fax, E-mail or by hand, depending on the nature of the requirement. Open Tender may also be announced by OMIFCO in the leading newspaper. The vendor should accordingly acknowledge receipt of the RFQ.

**2.2. Submission of Quotations:** The Vendor shall submit its Quotation on or before the closing date, in the case of a:

2.2.1 Single Stage Tender:

Fax No. +968 2553 2582, Email: purchase@omifco.com OR Tender Box at OMIFCO Head Office in Sur. Fax number and e-mail address given above may change at OMIFCO's convenience.

2.2.2 Two Stage Tender:

All required bids should be submitted in separate envelopes labeled as described below and to be submitted in Tender Box of OMIFCO's Head Office in Sur:

- I. 1st Envelope - Bid Bond, if specified in the enquiry or tender documents (valid for, at least, 120 days from the offer date or for the period specified in the RFQ/Tender);
- II. 2nd Envelope - Technical and un-priced Offer; and
- III. 3rd Envelope - Commercial Offer.

The envelopes should be addressed to: OMIFCO's Tender Committee or Purchase Manager. For overseas vendors or proprietary cases, offers/proposals can be submitted through e-mail mentioned above.

**2.3 Payment Terms:** Unless otherwise specified in the RFQ/Tender or Purchase Order, the standard payment term of OMIFCO is: 'credit within 30 days from receipt and acceptance of goods or from completion of the service/work upon submission of the invoice duly certified and signed by an OMIFCO authorized representative'.

**2.4 Validity:** Quotations shall be valid for not less than 90 days for Two Stage Tenders and 60 days for Single Stage Tenders. A Bid Bond (If requested in the RFQ) shall be valid for at least 120 days from the expiry of the Quotation or for the period specified in the RFQ/Tender).

**2.5 Clarifications:** If the Vendor requires any clarifications, the same shall be addressed to the OMIFCO Purchase Department or as indicated in the RFQ/Tender.

**2.6 Site Visit:** site visit may be required in some cases. In such cases, OMIFCO shall arrange for the same as per company regulations. The vendor may also ask for site visit which shall be reviewed and confirmed by OMIFCO.

**2.11** The Vendor must include a base-bid in the Quotation in response to OMIFCO specifications / requirements. Any improvements, suggestions, enhancements etc. need to be submitted separately, as an alternative Quotation.

**2.12** Unless otherwise specified in the RFQ/Tender Documents, Incoterms 2010 are applicable.

**2.13** OMIFCO Contractor Management Procedure shall form part of any services enquiries or tenders (Can be provided on request) and available on web site ([www.omifco.com](http://www.omifco.com))

### 3. PURCHASE ORDERS/ WORK ORDERS

#### 3.1 Selection Criteria:

3.1.1 OMIFCO is not bound to accept the lowest Quotation and reserves the right to reject any or all the Quotations without assigning any reason thereto.

3.1.2 Unless otherwise specified in the RFQ/Tender Documents, the general selection criterion is selecting the commercially lowest price amongst the technically accepted offers.

3.1.3 The Order/Contract can be extended further upon expiry date with same Rates, Terms & Conditions of the original Order/Contract.

**3.2 PARTIAL ORDERS:** OMIFCO reserves the right to place an Order with one or more Vendors and to place a partial Order.

**3.3 ACKNOWLEDGMENT AND ACCEPTANCE:** The Vendor shall return a copy of the Order duly signed and stamped within 10 days of receipt of any Order, confirming acceptance of all terms and conditions.

**3.4 DEVIATION:** Any Order shall be subject to these General Terms and Conditions and any additional conditions referred to in the Order, and no deviation shall be made from the requirement of the Order or from the General Terms and conditions unless deviations are approved in writing by OMIFCO.

**3.5 ASSIGNMENT AND SUBCONTRACTING:** Except with the prior written permission of OMIFCO, the Vendor shall not assign or sub-contract any Order or any part thereof to any other person. Such permission if granted by OMIFCO shall not, in any way relieve the contractual obligations of the Vendor with whom the Order has been placed.

**3.6 CORRESPONDENCE:** All correspondence concerning the Order shall specify the Order number and shall be addressed to the attention of the Purchase Manager/Project Manager or other authorized in charge personnel of OMIFCO.

**3.7 PAYMENT TERMS:** Unless otherwise indicated in the Order, the payment terms shall be as per above Clause No.2.3, Part I.

**3.8 SPECIFICATIONS:** All material, equipment, goods and services shall be supplied strictly in accordance with the specifications, drawings, data sheets, other attachments and conditions specified in the Order/Contract. No deviations from such specifications or alterations of these conditions shall be made without consent agreement in writing from OMIFCO, which must be obtained by the Vendor, prior to placing any orders for raw material, commencing manufacture or commencing work for any Order.

**3.9 FIXED PRICE:** All prices shall be fixed for the duration of the Order including the period of any extension thereof, notwithstanding any change in the cost of materials and/or labor, or any foreign exchange fluctuations, which may take place while the Order is being executed, even though the Vendor for any reason whatsoever, takes a longer period to deliver the goods/ services than indicated in the Order. Also, the Vendor shall be fully responsible for all matters arising out of the performance of the contract and shall comply at its own expenses with all the relevant laws, orders, regulation and statutory obligations in the Sultanate of Oman. The Vendor shall indemnify and holds harmless OMIFCO against all liabilities in this respect.

**3.10 INSPECTION:** If OMIFCO specifically requires inspection, the Vendor shall advise OMIFCO in writing at least 15 days in advance of the date when the goods will be ready for inspection. Inspection or dispensation of inspection by OMIFCO shall in no manner absolve the Vendor of his responsibility for quality and workmanship of the goods/services supplied under the Order.

**3.11 TEST CERTIFICATE:** If required by OMIFCO, the Vendor shall supply copies of test certificates for material and equipment as specified in the Order. Such certificate or quality standards should clearly state the Order Number, Item and Equipment Number. The certificates should be approved by the concerned certifier wherever applicable.

**3.12 PACKING AND DESPATCH:** All packaging shall conform to the specification or requirements of the Order. The Vendor shall be held liable for damage or breakage of the goods due to defective or insufficient packaging. Markings/labeling as specifically advised in the Order or Shipping Instructions shall be done by the Vendor in indelible paint and in a manner as to ensure that the same is clearly visible.

**3.13 MODE OF DESPATCH:** Unless otherwise specified in the Order, the material shall be despatched by sea, air or road and the shipping documents along with a copy of the invoice will be mailed and faxed directly to OMIFCO for the attention of the Purchase Manager (the authority signing the order). Other shipping instruction shall be attached with the order as Annexure. Required Documents are as under:

- I. Air Way Bill (AWB)/Bill of Lading (BL).
- II. Original /Copy of commercial invoice showing the full consignee address, a brief description of the commodity, HS code, commercial value with INCO terms identified, and OMIFCO Custom Exemption reference if required and mentioned in the order. Packing list with the same details & it should, clearly, indicate the no. of Packages, Weight (which should match the weight in AWB/BL). Also, the description of the commodity should match with the above Custom Duty Exemption List reference.
- III. Certificate of Origin is mandatory for Customs clearance in Oman.
- IV. If the CIF value of goods exceeds USD\$ 2,500/=, the Invoice, Packing List and Certificate of Origin has to be legalized by any GCC (Gulf Council Countries) consulate at the origin. The details on the commercial documents must match with (BL) or (AWB).
- V. Purchase Order Copy.
- VI. All documentation should state name of Oman India Fertilizer Company (OMIFCO).

**3.14 DESPATCH/DELIVERY:** Unless otherwise specified in the order, all goods shall be despatched by sea/road/air, freight prepaid and the consignment note shall be sent by courier to the Purchasing Manager of OMIFCO.

**3.15 INVOICES:** Three copies of each invoice made out in the name of OMIFCO shall be posted to the Senior Finance & Account Officer of OMIFCO; immediately after dispatch has been made. The invoice shall show clearly whether they cover "part order", "balance order" or "complete order" and shall include the item code, description, quantity, unit of measurement, price per unit, Vendors bank account details including Banks International Code or SWIFT Code or IFSC Code as well as the Order number. Net prices shall be shown on invoices, and cash discounts shall be described as such and each invoice shall show any advance/progress payments received by the Vendor.

#### 3.16 INSURANCE:

3.16.1 Transit Risk Insurance: Notwithstanding the General Marine Insurance Policy taken by OMIFCO, the Vendor shall in no manner be absolved of his responsibility of secure delivery of the goods covered under the Order to the delivery point as specified in the Order. For DDP-OMIFCO shipments, the insurance cost should be borne by the supplier.



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3.16.2 Service at Site Insurance: The contractor must maintain appropriate insurance cover with a reputable insurance company. Appropriate insurance means a policy or policies of insurance providing an adequate level of cover for all risks they may take on by providing the Services and for all statutory or other legal requirements you may be under.

3.17 PERFORMANCE BOND: If required in the Order, the Vendor shall submit a bank guarantee to the specified/agreed amount of the value of the Order as a performance bond within 15 working days from the date of receiving the order. Such bank guarantee shall be valid for a period commencing on the date of its issue up to the estimated completion of work, work/goods warrantee or the date of the certificate of final handing over, whichever is applicable. If the Vendor fails to submit the performance bond within the specified period, OMIFCO reserve the right, notwithstanding any actions, to cancel the Order.

3.18 TAXES, DUTIES ETC: Unless otherwise specified in the Order/Contract, all taxes (including withholding tax) and duties will be borne by supplier/vendor. The Vendor shall be fully responsible for all matters arising out of the performance of the contract and shall comply at its own expenses with all the relevant laws, orders, regulation and statutory obligations of the Sultanate of Oman. The Vendor shall indemnify and hold harmless OMIFCO against all liabilities in this respect.

3.19 REJECTED GOODS/SERVICES: If OMIFCO rejects all or part of any delivered goods/SERVICES, the Vendor shall arrange to replace/rectify the rejected goods/services within 15 (Fifteen) days from the date of receiving the rejection notice. If the Vendor fails or is unable to collect the rejected goods within the specified period, OMIFCO reserves the right to take the necessary action to clear the site, at the Vendor's risk, without further notice, and the Vendor shall waive any right to claim for any compensation/ damages. Also, OMIFCO reserves the right to claim for any Liquidated Damages or compensation.

3.20 WARRANTY: The warranty period against manufacturing or workmanship defects shall be applicable from the date of delivery, or work completion unless otherwise specified in the order

3.21 LIQUIDATED DAMAGES: If for reasons not attributable to OMIFCO or due to conditions other than force majeure as per clause no 4.4, the supply of equipment, goods and/or service is not completed in accordance with the provisions hereof and the delivery/completion period as indicated in the Order, it is agreed that OMIFCO shall be entitled to and the Vendor shall pay penalty to OMIFCO of 1/2(half percent) per week or part thereof subject to maximum 5% (five percent) of the total Order value or the value subject to delay at the discretion of OMIFCO without OMIFCO being required to establish and prove the actual loss /damage suffered by OMIFCO on account of such delay/completion.

The Order value shall include all contingencies and escalations, if any, payable by the OMIFCO to the Vendor.

If the Vendor is not able to meet the delivery date or execute the required work by the desired date, the Vendor shall get written consent from OMIFCO for an extension, prior to 15 days from the date of delivery agreed initially.

The Vendor may be liable to pay damages to OMIFCO in the following circumstances:

- I. Delay in delivery of goods /delay in completion of work specified in the Order;
II. Delay in supply of technical documents; and
III. Failure to meet Performance Guarantee:
IV. Shortfall in guaranteed output (expressed as a percentage of the shortfall);
V. Failure to meet utilities consumption guarantees;
VI. Failure to meet service level parameters.

3.22 DEFAULT: If the Vendor fails to comply with any of the provisions or requirements hereof or any Order specification, OMIFCO shall have the right to cancel the Order/Contract and terminate the contract with notice and without prejudice to any other rights or remedies OMIFCO may have and OMIFCO shall be relieved from any further obligations to the Vendor. In the event of such cancellation of the Order, OMIFCO shall be entitled to arrange for the procurement of goods and/or services from alternative suppliers at the risk and cost of the Vendor.

3.23 TERMINATION: In the event of any material breach, failure, abandonment, repudiation, refusal or inability of the Vendor to perform any part of work in accordance with the Order requirement or these terms and conditions, OMIFCO reserves the right to cancel any Order (and terminate the contract with that Vendor) in whole or in part by written notice to the Vendor, at any time prior to dispatch of shipment from the Vendor's premises or before or during execution of the requested goods/work as specified in the Order. OMIFCO may at its sole discretion pay the Vendor his actual out of pocket costs including reasonable termination expenses in connection with cancellation costs. Title in the affected goods, both completed and incomplete, shall pass to OMIFCO and the Vendor shall safely hold the same for a reasonable time subject to receipt of OMIFCO's written shipping instructions or other instructions. The following terms and conditions shall apply if this Termination clause is applied:

- a) Upon termination of the Order/Contract, OMIFCO shall take over from the Vendor any raw material lying at the work site on the date of the termination at the rate(s) specified in the schedule of rates agreed between the parties, and if the rate(s) of any material(s) is/are not specified in the schedule of rates then at the prevailing market rates of such material(s) on the date of the termination. The decision of OMIFCO relating to the materials lying at the work site on the date of termination, their quantities and market rates shall be final and binding upon the Vendor.
b) The Vendor shall not be entitled to any compensation due to the termination of the order/contract in addition to the payment for the work actually performed.

c) In the event of termination pursuant to this clause:

- i. The Contractor shall carry out instructions of OMIFCO in connection with such termination including the cancellation of orders and the termination of any sub contracts which the Contractor may have placed with others.
ii. For the purpose of determining the amount due to the Contractor, the Contractor shall provide all assistance in assessment of the work completed and the material supplied as at the date of termination.
d) The Contractor shall upon receiving notice from OMIFCO in accordance with paragraphs (a) and (b) of this clause, notify OMIFCO within a reasonable time of the price for materials used and work executed as mentioned in clause 3.23. These sums and all terms and conditions of termination pursuant to this Clause may be agreed in writing between OMIFCO and the Contractor. Failure to this may result in not processing further claim of the contractor.
e) Upon termination of the contract pursuant to this clause, all obligations of the parties shall cease except the obligations that arose prior to the date of the termination.
f) Within 15 days of completion of measurements, the Contractor shall clear the work site of all scaffolding, wiring, surplus materials, personnel, construction tools, equipment and machinery and shall dismantle, demolish and remove its office established at the work site, temporary dwellings and anything instructed by OMIFCO to be removed from the work site. Should the Vendor fail to comply with the instructions of OMIFCO in this regard, OMIFCO shall be entitled to take all such appropriate action for the clearance of the work site at the cost of the Vendor.

4. OTHER GENERAL TERMS AND CONDITIONS:

4.1 DOCUMENTS: All the documents submitted with the Rfq/TENDER OR ORDER/CONTRACT shall be treated with utmost confidentiality, and OMIFCO reserves the right to proceed legally if any confidential information is disclosed to any third party.

4.2 ORGANIZATION AND WORKFORCE FOR LONG TERM CONTRACT (ONE YEAR AND MORE):

- I. The minimum percentage of the Omani manpower in any work/project awarded to the private companies and establishments preferably to be (30%) of the total manpower employed in the work.
II. For long term projects that Vendor operation, maintenance or continuous work services, the Omani manpower should preferably start with (30%) with an annual gradual increasing with sufficient training programs, for improvement of Omani employees. The development and training programs should be at the level best of the contractor or as per the training plan stated in the order/contract.
III. The minimum salary of an Omani employee is OMR.350/ (Omani Rial Three Hundred Fifty, only).
IV. The minimum salary of expatriate employee is OMR.200/ (Omani Rial Two Hundred, only).
V. Omani Labor Law is applicable.

4.3 OMIFCO CONTRACTORS MANAGEMENT PROCEDURES: OMIFCO Contractors Management Procedures are applicable for all contracts/ orders being executed in OMIFCO Site and the contractor are bind to comply with all terms & conditions of the same. These procedures are available at OMIFCO's web site or can be provided on request.

4.4 FORCE MAJEURE: The terms and conditions of the Order shall be subject to force majeure which shall mean and be limited to the following:

- I. Any war or hostilities.
II. Any riot or civil commotion.
III. Any earthquake, flood, tempest, lightning or other natural physical disaster, impossibility of the use of any Port, Airport, Shipping services or other means of transport.
IV. Any strike or lock-out (only those exceeding 10 continuous days in duration) affecting the performance of the Vendor's obligations.

4.5 PATENT RIGHTS: The Vendor shall fully indemnify OMIFCO, its customers and users, against any action, claim or demand, costs of expenses, arising from or incurred by reason of any infringement or alleged infringement of any patent, trade mark, copyright or other protected rights in respect of any materials supplied. All royalties and the like payment shall be the liability of and be paid directly by the Vendor.

4.6 GOVERNING LAW AND JURISDICTION: These terms and conditions shall be construed in accordance with the laws of the Sultanate of Oman. All actions at law or suits arising out of, or in connection with the Order or the subject matter thereof and whether as to construction or otherwise shall be instituted in a court of competent jurisdiction in the Sultanate of Oman.

4.7 RESOLUTION OF DISPUTES/ARBITRATION: OMIFCO and the Vendor shall make every effort to resolve amicably by direct informal negotiations any difference or dispute arising between them under or in connection with any Order/ Contract. If after thirty (30) days from the commencement of such informal negotiations, OMIFCO and the Vendor have been unable to resolve amicably the dispute; either party may require that the dispute be referred for resolution to the formal mechanisms as specified hereunder.

4.8 ARBITRATION: Any dispute or differences whatsoever arising between the parties out of or relating to the construction, meaning, scope, operation or effect of the order or the validity or the breach thereof shall be settled by arbitration in accordance with the provisions of the applicable arbitration laws of the Sultanate of Oman and the award made in pursuance thereof shall be binding on the parties. The performance under this contract shall not stop for any reason whatsoever during the said dispute/proceedings, unless the contractor/supplier is specifically directed by OMIFCO to desist from working in this behalf. The venue of arbitration shall be Muscat or Sur. The language of proceedings shall be Arabic/English. The law governing the substantive issues between the parties shall be the laws of the Sultanate of Oman. This clause shall constitute a written arbitration agreement for the purposes of the Omani Arbitration Law.