

Electronic Government Procurement (e-GP) System
Government Procurement and Property Management Division, Department of National Properties
Ministry of Finance, Royal Government of Bhutan

View SCC

Name of SBD :	Procurement of Goods (Above Nu. 0.5 Million)
Procurement Type :	Goods
Section :	Special Conditions of Contract

Instructions for completing the Particular Conditions of Contract are provided in italics in parenthesis for the relevant GCC Clauses.

GCC Clause	Amendments of, and Supplements to, Clauses in the General Conditions of Contract
General Conditions of Contract	
GCC Clause	1. Definitions
	1.1.(k) The Project Site, where applicable, means the place named in the SCC.
	The Project Site(s)/Final Destination(s) is/are; <i>[insert name(s) and detailed information on the location(s) of the site(s)]</i>
	1.1.(l) Purchaser means the entity purchasing the Goods and Related Services, as specified in the SCC.
	The Purchaser is: <i>[insert complete legal name of the Purchaser]</i>
GCC Clause	4 Interpretation
	4.2 Incoterms (a) Unless inconsistent with any provision of the Contract or otherwise specified in the SCC, the meaning of any trade term and the rights and obligations of parties thereunder shall be as prescribed by Incoterms.
	The meaning of the trade terms shall be as prescribed by Incoterms. If the meaning of any trade term and the rights and obligations of the parties thereunder shall not be as prescribed by Incoterms, they shall be as prescribed by: <i>[exceptional; refer to other internationally accepted trade terms]</i>
	4.2.(b) The terms EXW, CIF, CIP and other similar terms, when used, shall be governed by the rules prescribed in the current edition of Incoterms specified in the SCC and published by the International Chamber of Commerce in Paris, France.
	The version of Incoterms shall be: <i>[insert date of current edition]</i>

GCC Clause	5 Language
	5.1 The Contract, as well as all correspondence and documents relating to the Contract exchanged by the Supplier and the Purchaser, shall be written in the language specified in the SCC. Supporting documents and printed literature that are part of the Contract may be in another language provided they are accompanied by an accurate translation of the relevant passages in the language specified in the SCC, in which case, for purposes of interpretation of the Contract, the translation shall govern.
	The language shall be: <i>[insert the name of the language]</i>
GCC Clause	8 Notices
	8.1 Any notice given by one party to the other pursuant to the Contract shall be in writing to the address specified in the SCC. The term “in writing” means communicated in written form, including electronic communication, with proof of receipt.
	<p>For notices, the addresses shall be:</p> <p>For the Purchaser:</p> <p>Attention: <i>[insert full name of person, if applicable]</i></p> <p>Address: <i>[insert full address including, as appropriate, street address and number, floor, room number, city]</i>, Bhutan</p> <p>Telephone: <i>[insert telephone number, including country and city codes]</i></p> <p>Facsimile number: <i>[insert facsimile number, including country and city codes]</i></p> <p>E-mail address: <i>[insert e-mail address, if applicable]</i></p>
GCC Clause	9 Governing Law
	9.1 The Contract shall be governed by and interpreted in accordance with the laws of Bhutan.
	The governing law shall be <u>the law of the Kingdom of Bhutan.</u>
GCC Clause	10 Settlement of Disputes
	10.2 If, after thirty (30) days, the parties have failed to resolve their dispute or difference by such mutual consultation, either the Purchaser or the Supplier may give notice to the other party of its intention to commence arbitration, as hereinafter provided, as to the matter in dispute. No arbitration in respect of this matter may be commenced unless such notice is given. Any dispute or difference in respect of which a notice of intention to commence arbitration has been given in accordance with this Clause shall be finally settled by arbitration. Arbitration may be commenced prior to or after delivery of the Goods under the Contract. Arbitration proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.

The rules of procedure for arbitration proceedings pursuant to GCC Sub-Clause 10.2 shall be as follows:

[The Bidding Documents should contain one clause to be retained in the event of a Contract with a foreign Supplier and one clause to be retained in the event of a Contract with a Bhutanese Supplier. At the time of finalizing the Contract, the respective applicable clause should be retained in the Contract. The following explanatory note should therefore be inserted as a header to GCC Sub-Clause 10.2 in the Bidding Documents.

“Clause 10.2 (a) shall be retained in the case of a Contract with a foreign Supplier and Clause 10.2 (b) shall be retained in the case of a Contract with a Bhutanese Supplier.”]

(a) Contract with a foreign Supplier:

[For Contracts entered into with foreign suppliers, international commercial arbitration may have practical advantages over other dispute settlement methods. Among the rules to govern the arbitration proceedings, the Purchaser may wish to consider the United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules of 1976, the Rules of Conciliation and Arbitration of the International Chamber of Commerce (ICC), the Rules of the London Court of International Arbitration or the Rules of the Arbitration Institute of the Stockholm Chamber of Commerce.]

If the Purchaser chooses the UNCITRAL Arbitration Rules, the following sample clause should be inserted:

GCC 10.2 (a)—Any dispute, controversy or claim arising out of or relating to this Contract, or breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force.

If the Purchaser chooses the Rules of ICC, the following sample clause should be inserted:

GCC 10.2 (a)—All disputes arising in connection with the present Contract shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules.

If the Purchaser chooses the Rules of the Arbitration Institute of the Stockholm Chamber of Commerce, the following sample clause should be inserted:

GCC 10.2 (a)—Any dispute, controversy or claim arising out of or in connection with this Contract, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the Rules of the Arbitration Institute of the Stockholm Chamber of Commerce.

If the Purchaser chooses the Rules of the London Court of International Arbitration, the following clause should be inserted:

GCC 10.2 (a)—Any dispute arising out of or in connection with this Contract, including any question regarding its existence, validity or termination shall be referred to and finally

	<p>resolved by arbitration under the Rules of the London Court of International Arbitration, which rules are deemed to be incorporated by reference to this clause.</p> <p>(b) Contract with a Bhutanese Supplier:</p> <p>In the case of a dispute between the Purchaser and a Bhutanese Supplier, the dispute shall be referred to adjudication or arbitration in accordance with the laws of Bhutan.</p>
GCC Clause	13 Delivery and Documents
	13.1 Subject to GCC Sub-Clause 34.1, the delivery of the Goods and completion of the Related Services shall be in accordance with the delivery and completion requirements specified in the Schedule of Supply. The details of shipping and other documents to be furnished by the Supplier are specified in the SCC.
	<p>Details of Shipping and other Documents to be furnished by the Supplier are <i>[insert the required documents, such as a negotiable bill of lading, a non-negotiable sea way bill, an airway bill, a railway consignment note, a road consignment note, insurance certificate, Manufacturer's or Supplier's warranty certificate, inspection certificate issued by nominated inspection agency, Supplier's factory shipping details etc]</i>.</p> <p>The above documents shall be received by the Purchaser before arrival of the Goods and, if not received, the Supplier will be responsible for any consequent expenses.</p>
GCC Clause	16 Contract Price
	16.2 Prices charged by the Supplier for the Goods supplied and the Related Services performed under the Contract shall not vary from the prices quoted by the Supplier in its Bid, with the exception of any price adjustments authorized in the SCC.
	<p>The prices charged for the Goods supplied and the related Services performed <i>[insert "shall" or "shall not," as appropriate]</i> be adjustable.</p> <p>If prices are adjustable, the following method shall be used to calculate the price adjustment <i>[see attachment to these SCC for a sample Price Adjustment Formula]</i></p>
GCC Clause	17 Terms of Payment
	17.1 The Contract Price, including any Advance Payments, if applicable, shall be paid as specified in the SCC.
	<p>Sample provision</p> <p>GCC 17.1—The method and conditions of payment to be made to the Supplier under this Contract shall be as follows:</p> <p>Payment for Goods supplied from abroad:</p>

	<p>Payment of the foreign currency portion shall be made in ()</p> <p>(i) Advance Payment: Ten percent (10%) of the Contract Price shall be paid within thirty (30) days of signing of the Contract, and upon submission of a claim and an advance payment guarantee for the equivalent amount valid until the Goods are delivered and in the form provided in the Bidding Documents.</p> <p>(ii) On Shipment: Eighty percent (80%) of the Contract Price of the Goods shipped shall be paid through irrevocable confirmed letter of credit opened in favor of the Supplier in a bank in its country, upon submission of the documents specified in GCC Clause 13.</p> <p>(iii) On Acceptance: Ten percent (10%) of the Contract Price of the Goods received shall be paid within thirty (30) days of receipt of the Goods upon submission of claim supported by the acceptance certificate issued by the Purchaser.</p> <p>Payment of the local currency portion shall be made in Bhutanese Ngultrum (BTN) within thirty (30) days of presentation of a claim supported by a certificate from the Purchaser declaring that the Goods have been delivered and that all other contracted Services have been performed.</p> <p>Payment for Goods and Services supplied from within Bhutan:</p> <p>Payment for Goods and Services supplied from within Bhutan shall be made in _____ [currency], as follows:</p> <p>(i) Advance Payment: Ten percent (10%) of the Contract Price shall be paid within thirty (30) days of signing of the Contract against a simple receipt and an advance payment guarantee for the equivalent amount and in the form provided in the Bidding Documents.</p> <p>(ii) On Delivery: Eighty percent (80%) of the Contract Price shall be paid on receipt of the Goods and upon submission of the documents specified in GCC Clause 13.</p> <p>(iii) On Acceptance: The remaining ten percent (10%) of the Contract Price shall be paid to the Supplier within thirty (30) days after the date of the acceptance certificate for the respective delivery issued by the Purchaser.</p>
	<p>17.5 In the event that the Purchaser fails to pay the Supplier any payment by its due date or within the period set forth in the SCC, the Purchaser shall pay to the Supplier interest on the amount of such delayed payment at the rate shown in the SCC, for the period of delay until payment has been made in full, whether before or after judgment or arbitration award.</p>
	<p>The payment delay period after which the Purchaser shall pay interest to the supplier shall be [insert number] days.</p> <p>The interest rate that shall be applied is [insert number] %</p>
GCC Clause	19 Performance Security

	19.1 The Supplier shall, within fifteen (15) working days of the notification of contract award, provide a Performance Security for the due performance of the Contract in the amount and currency specified in the SCC.
	The amount of the Performance Security shall be: <i>[insert amount and currency]</i> <i>[The amount of the Performance Security is usually expressed as a percentage of the Contract Price. The percentage varies according to the Purchaser's perceived risk and impact of non-performance by the Supplier. A figure of ten percent (10%) is used under normal circumstances]</i>
	19.3 The Performance Security shall be denominated in the currency (ies) of the Contract or in a freely convertible currency acceptable to the Purchaser, shall be valid until the successful completion of the Supplier's performance obligations under the Contract, including any warranty obligations, and shall be in one of the forms stipulated by the Purchaser in the SCC.
	The types of acceptable Performance Securities are: (i) Unconditional bank guarantee issued by financial institution located in Bhutan and acceptable to the Purchaser, in the form provided for in the Contract or in any other form acceptable to the Purchaser, or (ii) Cash warrant, or (iii) Demand draft.
	19.4 The Performance Security shall be discharged by the Purchaser and returned to the Supplier not later than thirty (30) days following the date of completion of the Supplier's performance obligations under the Contract, including any warranty obligations, unless specified otherwise in the SCC,.
	Discharge of Performance Security shall take place: <i>[insert date if different from the one indicated in GCC Sub-Clause 19.4]</i>
GCC Clause	24 Packing and Documents
	24.2 The packing, marking and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the Contract, including additional requirements, if any, specified in the SCC, and in any other instructions ordered by the Purchaser.
	The packing, marking and documentation within and outside the packages shall be: <i>[insert in detail the type of packing required, the markings on the packing, and all documentation required]</i>
GCC Clause	25 Insurance
	25.1 Unless otherwise specified in the SCC the Goods supplied under the Contract shall be fully insured, in a freely convertible currency from an eligible country, against loss or damage incidental to manufacture or acquisition, transportation, storage and delivery, in accordance with the applicable Incoterms or in the manner specified in the SCC.

	<p>The insurance coverage shall be <u>as specified in the Incoterms</u>.</p> <p>If not in accordance with Incoterms, insurance shall be as follows:</p> <p><i>[insert specific insurance provisions agreed upon, including coverage, currency and amount]</i></p>
GCC Clause	26 Transportation
	26.1 Unless otherwise specified in the SCC, responsibility for arranging transportation of the Goods shall be in accordance with the specified Incoterms.
	<p>Responsibility for transportation of the Goods shall be <u>as specified in the Incoterms</u>.</p> <p>If not in accordance with Incoterms, responsibility for transportation shall be as follows: <i>[insert “The Supplier is required under the Contract to transport the Goods to a specified place of final destination within Bhutan, defined as the Project Site. Transport to such place of destination in Bhutan, including insurance and storage as shall be specified in the Contract, shall be arranged by the Supplier, and related costs shall be included in the Contract Price”; or any other agreed upon trade terms (specify the respective responsibilities of the Purchaser and the Supplier)]</i></p>
GCC Clause	27 Inspections and Tests
	27.1 At its own expense and at no cost to the Purchaser the Supplier shall carry out all such tests and/or inspections of the Goods and Related Services as are specified in the SCC.
	The inspections and tests shall be: <i>[insert nature, frequency, procedures for carrying out the inspections and tests]</i>
	27.2 The inspections and tests may be conducted on the premises of the Supplier or its Subcontractor, at point of delivery, and/or at the Goods’ final destination, or in another place in Bhutan as specified in the SCC. Subject to GCC Sub-Clause 27.3, if conducted on the premises of the Supplier or its Subcontractor, all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to the Purchaser.
	Inspections and tests shall be conducted at: <i>[insert names of locations]</i>
GCC Clause	28 Liquidated Damages
	28.1 Except as provided for under GCC Clause 33, if the Supplier fails to deliver any or all of the Goods by the date(s) of delivery or fails to perform the Related Services within the period specified in the Contract, the Purchaser may, without prejudice to all its other remedies under the Contract, deduct from the Contract Price, as liquidated damages, a sum equivalent to the percentage specified in the SCC of the delivered price of the delayed Goods or unperformed Services for each week or part thereof of delay until actual delivery or performance, up to a maximum deduction of the percentage specified in those SCC. Once the maximum is reached, the Purchaser may terminate the Contract

	pursuant to GCC Clause 36.
	<p>The liquidated damages shall be: <i>[insert number]</i> % per week.</p> <p>The maximum amount of liquidated damages shall be: <i>[insert number]</i> %. <i>[The maximum figure is normally ten percent (10%)]</i></p>
GCC Clause	29 Warranty
	29.3 Unless otherwise specified in the SCC, the warranty shall remain valid for twelve (12) months after the Goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the SCC, or for eighteen (18) months after the date of shipment from the port or place of loading in the country of origin, whichever period concludes earlier.
	<p>The period of validity of the Warranty shall be: <u><i>[insert number] days.</i></u></p> <p><u><i>For the purposes of the Warranty the place(s) of final destination(s) shall be: [insert name(s) of location(s)]</i></u></p>
	29.5 Upon receipt of such notice, the Supplier shall, within the period specified in the SCC, expeditiously repair or replace the defective Goods or parts thereof, at no cost to the Purchaser.
	The period for repair or replacement shall be: <i>[insert number]</i> days.
	29.6 If, having been notified, the Supplier fails to remedy the defect within the period specified in the SCC, the Purchaser may proceed to take within a reasonable period such remedial action as may be necessary, at the Supplier's risk and expense and without prejudice to any other rights which the Purchaser may have against the Supplier under the Contract.
	The period for repair or replacement shall be: <i>[insert number]</i> days.