

ITAHARI SUB-METROPOLITAN CITY OFFICE

Office of the Municipal Executive

Sunsari, Koshi Province, Nepal

ADDENDUM NO. 1

Date of Publication: 2083/03/32 BS

Mahesh Parajuli
Chief Administrative Officer

Itahari Sub-Metropolitan City, Office of the Municipal Executive, Itahari, Sunsari has made the following amendments to the bidding document for the contracts named below.

Previous Last Date of Bid Submission: - 2083-04-08 BS, 12:00 hour		
Amendment Last Date of Bid Submission: - 2083-04-12 BS, 12:00 hour		
Previous Date of Bid Opening: - 2083-04-08 BS, 13:00 hour		
Amendment Date of Bid Opening: - 2083-04-12 BS, 13:00 hour		
S.N.	Contract No.	Project Title
1	ITR/NCB/66W/082/083	Construction of Bituminous Asphalt Concrete Road from Kalyan Karki's house towards west upto Kabyabatika futsal and Tulasa tole, Itahari-5, Sunsari
2	ITR/NCB/67W/082/083	Construction of Bituminous Asphalt Concrete Road (Hawai Chowk to Tengra River, Pashupati Chowk to Tengra River and East of Humps Connecting to Taltalaiya Road), Itahari-2, Sunsari
3	ITR/NCB/68W/082/083	Construction of Bituminous Asphalt Concrete Road connecting the Aitabare-Koshi Highway at Itahari-4 and 6 (Nepal Telecom and Sangeet Chowk Road) and from Jagriti Tole to Bageshwari Kachana Temple

Issued by: Itahari Sub-Metropolitan City Office, Employer.

Legal basis: Public Procurement (Second Amendment) Act, 2083.

Status: This Addendum forms an integral part of the Bidding Document for the above Contract and shall be read and construed accordingly. Where any provision of this Addendum conflicts with the original Bidding Document, this Addendum shall prevail.

Pursuant to the Public Procurement (Second Amendment) Act, 2083, the following provisions of Section I (Instructions to Bidders – ITB), Section III (Evaluation and Qualification Criteria) and the General Conditions of Contract (GCC) of the Bidding Document are hereby amended as set out below. All other terms and conditions of the Bidding Document remain unchanged.

1. ITB 35.2(e) – Evaluation of Price Bids

In place of: "...application of all the evaluation factors indicated in Section III (Evaluation and Qualification Criteria)."

Read: "...application of all the evaluation factors indicated in Section III (Evaluation and Qualification Criteria), and determination of the Average Bid Price and the bid closest to it, in accordance with Section III (Evaluation and Qualification Criteria)."

2. ITB 35 – Insert new sub-clause 35.2A (Average Bid Method)

Insert after ITB 35.2:

"35.2A The Employer shall determine the arithmetic average of the evaluated bid prices of all substantially responsive and eligible Bidders, excluding any bid disqualified under ITB 35.2B. The Bidder whose evaluated price is closest to this average price shall be identified as the Recommended Bid for the award of Contract."

3. ITB 35 – Insert new sub-clause 35.2B (Abnormally low bids)

“35.2B A bid quoting a price more than thirty percent (30%) below the Employer’s approved cost estimate shall be excluded from the evaluation process outright and shall not be considered further.”

Consequential: ITB 35.5, ITB 35.8 and ITB 35.9 are retained only as a quality-assurance check on bids that fall within the 30% band and shall no longer be applied as the basis for selecting the lowest bidder. In ITB 35.9, “the Lowest Evaluated Bidder” is replaced with “the Recommended Bid”.

4. ITB 35 – Insert new sub-clause 35.2C (Tie-break rule)

“35.2C Where two or more Bidders’ evaluated prices are exactly equal to the Average Bid Price, the successful Bidder shall be selected by lottery/draw in accordance with ITB 36.2. Where two Bidders evaluated prices are equidistant from the Average Bid Price (one above and one below), the Bidder whose price is below the Average Bid Price shall be preferred.”

5. ITB 36 – Comparison of Bids

In place of: “The Employer shall compare all substantially responsive bids in accordance with ITB 35.2 to determine the lowest evaluated bid.”

Read:

“36.1 The Employer shall compare all substantially responsive bids in accordance with ITB 35.2 to determine the Average Bid Price and the bid closest to that average (the ‘Recommended Bid’).”

“36.2 If two or more Bidders’ evaluated prices are exactly equal to the Average Bid Price, the Employer shall select the successful Bidder by draw system procedure as specified in the BDS, in the presence of Bidders’ designated representatives who choose to attend, at the date, time and place notified in writing to the concerned Bidders. Where two Bidders’ prices are equidistant from the Average Bid Price, the Bidder quoting below the average shall be preferred.”

6. ITB 38 – Award Criteria

In place of: “The Employer shall award the Contract to the Bidder whose offer has been determined to be the lowest evaluated bid and is substantially responsive to the Bidding Document, provided further that the Bidder is determined to be qualified to perform the Contract satisfactorily.”

Read: “38.1 The Employer shall award the Contract to the Bidder whose offer has been determined, in accordance with ITB 35 and ITB 36, to be the Recommended Bid (i.e., the substantially responsive bid closest to the Average Bid Price), provided further that the Bidder is determined to be qualified to perform the Contract satisfactorily.”

7. ITB 33.2 – Correction of Arithmetical Errors

In place of: “If the Bidder that submitted the lowest evaluated bid does not accept the correction of errors, its bid shall be disqualified and its bid security shall be forfeited.”

Read: “33.2 If the Bidder that submitted the Recommended Bid does not accept the correction of errors, its bid shall be disqualified and its bid security shall be forfeited.”

8. ITB 40 – Performance Security

In place of: the tiered formula – 5% of the bid price where the bid is up to 15% below the cost estimate; otherwise Performance Security = $[(0.85 \times \text{Cost Estimate} - \text{Bid Price}) \times 0.5] + 5\%$ of Bid Price.

Read: “40.1 Within fifteen (15) days of the receipt of the Letter of Acceptance from the Employer, the successful Bidder shall furnish a Performance Security equivalent to five percent (5%) of the



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accepted Bid Price (excluding VAT and Contingencies but including Provisional Sum), subject to ITB 35.5, from a Commercial Bank or Financial Institution eligible to issue a Bank Guarantee under prevailing law in Nepal, using the Sample Form for the Performance Security in Section X (Contract Forms), or another form acceptable to the Employer.”

Consequential: Delete the tiered formula sub-clauses (i) and (ii) and the associated calculation. In ITB 40.2, “the next lowest evaluated Bidder” is replaced with “the next Recommended Bidder, determined in accordance with ITB 35 and ITB 36”.

9. Section III (Evaluation and Qualification Criteria), Clause 1 – Evaluation

Insert new Clause 1.4 after existing Clauses 1.1–1.3:

“1.4 Determination of the Recommended Bid (Average Bid Method)

Pursuant to ITB 35.2A–35.2C, after determining the evaluated price of each substantially responsive bid (i.e., bid price adjusted for arithmetic corrections, discounts, and quantifiable nonconformities per ITB 33 and ITB 31.3), the Employer shall:

- (a) exclude from evaluation any bid priced more than 30% below the Employer’s approved cost estimate;
- (b) calculate the arithmetic average of the evaluated prices of the remaining substantially responsive and eligible bids;
- (c) identify as the Recommended Bid the bid whose evaluated price is closest to that average; and
- (d) where two or more bids are equally close to the average, apply the tie-break rule at ITB 35.2C.”

10. Consolidated cross-reference amendments

The following cross-references throughout the Bidding Document are amended accordingly:

ITB 39.2 / 39.4: “the next lowest evaluated Bidder” is replaced with “the next Recommended Bidder determined in accordance with ITB 35 and ITB 36”.

ITB 40.2: “the next lowest evaluated Bidder” is replaced with “the next Recommended Bidder determined in accordance with ITB 35 and ITB 36”.

Section X (Contract Forms), Letter of Intent to Award and its accompanying Notes: references to “substantially responsive lowest evaluated bid” are replaced with “substantially responsive Recommended Bid”.

11. IFB Paragraph 5 / ITB 21.1(b)(iv) – Bidding Document Fee

In place of: “...Bidders, submitting their bid electronically, should deposit the cost NRs. 5,000.00 of bidding document in the account as specified below...” and “...the cost of the bidding document can be deposited as specified in IFB. In addition, electronic scanned copy (.pdf format) of the bank deposit voucher/cash receipt should also be submitted along with the technical bid.”

Read: “Bidders submitting their bid electronically through the e-GP system shall not be required to pay or deposit any bidding document fee. Bidders submitting bids in hard copy (where permitted) shall continue to deposit the cost of the bidding document as specified in the Invitation for Bids.”

Consequential: Delete the corresponding bank deposit voucher/cash receipt upload requirement at ITB 21.1(b)(iv), since bid submission under this Contract is by electronic means only (BDS to ITB 21.1: “by electronic”).

This reflects the Second Amendment’s provision waiving the bidding-document fee where the bid is invited and submitted through the electronic procurement system (e-GP) — relevant here since the BDS to ITB 21.1 already restricts submission to electronic-only.



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12. ITB 3.3 – Fraud and Corruption / Blacklisting

Insert new grounds (f) and (g) after existing ITB 3.3(e):

(f) improper withdrawal of a bid; or

(g) refusal to provide information requested by the Employer during bid evaluation.”

Blacklisting by PPMO on the recommendation of the Employer shall be on any of the grounds under Section 63 of the Public Procurement Act, 2063 (as amended), including but not limited to fraud and corruption, improper withdrawal of a bid, or refusal to provide information requested during bid evaluation.

13. GCC – Labour (Social Security & Wage Payment)

The Contractor shall enroll all workers engaged in the Works under the Contract with the Social Security Fund established under prevailing law, and shall pay their wages/remuneration through a bank account. The Contractor shall, upon request, furnish evidence of such enrollment and wage payment to the Employer or its representative.

14. GCC – Advance Payment / Termination (Criminal Liability for Misuse)

Without prejudice to the Employer's rights of forfeiture, recovery, or termination under this Contract (including under GCC 72.3(a)), where the Contractor, with mala fide intent, misuses an advance payment, submits a false statement, or abandons the Works midway causing loss or damage to the State, the Contractor (including its responsible partner, director, or authorized representative) shall be liable to prosecution under the prevailing criminal law relating to fraud and forgery, in addition to any other remedy available to the Employer under this Contract.

Except as expressly amended by this Addendum, all other terms, conditions, clauses and provisions of the Bidding Document shall remain valid and binding without change. Any difference in this addendum to Public Procurement act 2063 (Amendment, 2083), Prevailing procurement act with amendment shall apply.