



PNG POWER Ltd

**TENDER
INFORMATION**



PNG POWER Ltd

DOCUMENTS CONTAIN:

SET 1. TENDER INFORMATION

**SET 2. INFORMATION TO
TENDERERS**

SET 3. SUPPLIER ACTION GUIDE



PNG POWER Ltd

**FINANCE & SHARED SERVICES
BUSINESS UNIT
PROCUREMENT GROUP
TENDERS TEAM**

TENDER INFORMATION

**TEAM LEADER TENDERS & SUPPLY MANAGEMENT
PNG POWER Ltd
P.O BOX 1105 BOROKO
NATIONAL CAPITAL DISTRICT
CORNER OF WARDS ROAD & CORDIA STREET, HOHOLA**

**TENDERS
PHONE: (675) 324 3433 / 324 3273 / 324 3348
FAX: (675) 325 0791 / 325 0539
EMAIL: tenders@pngpower.com.pg
WEBSITE: www.pngpower.com.pg/tenders**



PNG POWER Ltd

CONDITIONS AND SPECIFICATIONS FOR THE SUPPLY OF GOODS AND MATERIALS TO PNG POWER Ltd ON A PERIOD CONTRACT FOR THREE (3) YEAR TERM

1. INTRODUCTION

- 1.1 It is the aim of PNG Power Ltd to establish price agreements by the tender process for a fixed term to cover the supply of goods and services that are subject to recurring demand.
- 1.2.0 This tender relates to a specialist range of products identified on the schedule at Annex A Part 1 under the following columns of the Schedule of Forecast Requirement and Offer:
- 1.2.1 Column (a) - Item Number
1.2.2 Column (b) - Vocabulary Number
1.2.3 Column (c) - Description
- 1.3.0 The price agreement will cover an initial period of one year extendable annually by mutual agreement of both parties to provide a maximum term of 3 years.

2.0.0 SPECIFICATION

- 2.1.0 Specifications applicable to each item are referenced under column (d) of Part 1 of the schedule and are provided as Appendices.
- 2.1.1 Column (d) - Specification Appendix Number
- 2.2.0 Offers should be made for the supply of items, which comply fully with these specifications. However, should a supplier wish to offer suitable alternatives, these should be submitted in a separate offer clearly identified as an alternative submission. In all cases appropriate products literature should be provided.

3.0.0 FORECAST REQUIREMENT

- 3.1.0 Units of quantity of the products required are given at column (e) of Part 1 of the schedule and the total quantities of these units forecast as an annual requirement, are quoted at column (f).
- 3.1.1 Column (e) - Unit of Issue
3.1.2 Column (f) - Forecast Requirement
- 3.2.0 Where PNG Power Ltd requires items to be supplied in specific prepacked quantities; pack details are stated at column (h).
- 3.2.1 Column (h) - Standard Packed Size

3.3.0 PNG Power Ltd emphasizes that the figures quoted as an annual requirement although based on the best projections are indicative only and the ordering of these quantities is not a contract obligation.

4.0.0 OFFERS

4.1.0 Tenderers should record priced offers for the unit of quantity specified at Columns (e) in the Schedule, under column (g) prices offered are to be firm and may not be varied unless exceptional circumstances arise and variation is accepted by PNG Power Ltd.

4.1.1 Column (e) - Unit of Issue

4.1.2 Column (g) – Unit Price

4.2.0 Should tenderers consider that the unpredictability of the cost of the major constituent metal prevents them from offering firm competitive prices for products over a year, PNG Power Ltd will accept the provision of a variation factor inserted in column (i) relative to each product.

4.2.1 Column (i) - Comment

4.3.0 This factor should represent the degree of variation to be applied to the margin of rise or fall in the market price of the nominated metal since date of tendering derived from 7 day averages, for the adjustment of a base price given at column (g). Normally this provision will apply to conductors, cables, transformers or similar products of high metal mass.

4.4.0 If this variation option is adopted then the price of the related metal per tonne prevailing at the time of tendering and the market identity used, normally the LME (London Metal Exchange), should be advised in the offer. Under this option our requirements will be notified by facsimile to the supplier as they arise so that base prices may be revised and PNG Power Ltd advised of the adjusted new unit price with supporting calculations for inclusion on the contract order.

4.5.0 The basis of pricing for tenderers should be (incoterms 2000) as follows:

SUPPLIERS:

4.5.1 **Overseas:**

- Free On Board (FOB) prices
- Cost Insurance Freight (CIF) prices for major contract requirements

4.5.2 **Local:**

- Free Into Stores (FIS) where delivery is made from a source in the locality of the nominated destination Depot
- Free On Board, (FOB) where the source is remote and delivery incurs sea freight.

4.5.3 **Others:**

- The bases and prices of delivery terms can be as per contract-by-contract terms.

4.5.4

Insurance:

- Free On Board (FOB) – PNG Power Ltd Cost
- Cost Insurance Freight (CIF) – Supplier Cost

Details in this regard are required to be identified in Part 2A of the schedule.

4.6.0

Local suppliers are advised that PNG Power Ltd has no exemption from Customs duty or GST for these products and prices offered should be inclusive of these cost components.

4.7.0

Where products are normally supplied in multi unit commercial packs the pack quantities should be shown under column (h) so that ordering may be made in pack multiples. This pack quantity should not exceed that in column (f) where one is specified.

4.7.1

Column (f) - Forecast Requirement

4.7.2.

Column (h) – Standard Packed Size

5.0.0

EVALUATION OF OFFER

5.1.0

For the purpose of tender evaluation, offers from overseas suppliers will be adjusted by a factor for overseas freight and PNG Customs duty for comparison with offers from local suppliers also adjusted for in country freight Costs, if appropriate.

5.2.0

To comply with Government Directives for local preference, offers from local suppliers will be discounted by up to 10% dependent on the degree of National ownership over 50%.

5.3.0

Local suppliers operating on an indent basis are ineligible to tender, as supply lead times will not meet PNG POWER LTD's delivery criteria. In this regard prior to the acceptance of an in country offer, the local tenderer will be required to demonstrate that the company is a stockist for the products and is servicing the local community generally with them or is proposing to do so.

5.4.0

All tenderers are advised that PNG Power Ltd will accept no responsibility for products held in stock by the supplier at the end or termination of contract.

6.0.0

ORDERING

6.1.0

Orders for stock replenishment as required will be placed at intervals throughout the period of the contract stating the quantity and the destination for consignment or delivery.

6.2.0

Prices shown will be those relevant at the order date or those accepted by PNG Power Ltd under the conditions applicable to pricing variation for material content. Direction for the mode of dispatch and other details will be provided on each order.

6.3.0 PNG Power Ltd also provides a “Suppliers Action Guide” with every order to clarify procedural and administrative aspects applicable to our procurement policies. In particular, suppliers should note that it is a contract condition that products are dispatch within 28 days of order date to conform with our re-supply lead times. This will normally be by sea freight using our preferred freight forwarder.

6.4.0 Purchase Order number and Vocabulary number (If applicable) must be on Commercial Invoice, Bill of Lading and packages.

6.5.0 Markings on all packaged box must also have Purchase Order number, Vocab number and PNG Power’s depot name or port of delivery.

7.0.0 DELIVERIES

7.1.0 The supplier should notify PNG Power Ltd of the terms of shipment on receipt of each order. The shipment of all Goods & Materials shall be **in containers** (FCL / LCL) with items adequately bolted to protect them during transit and to ensure travel in an up-right position. Particular care should be taken to protect the goods and materials during transit.

8.0.0 DOCUMENTS REQUIREMENTS

8.1.0 The original Bills of Lading and original commercial invoices for Customs clearance purposes and accounts payments must be forwarded as follows:

8.1.1 Documents required for 30 Days Credit facility:

- Original Bills of Lading x 2 (stamp copy of original acceptable)
- Original commercial invoice x 2 (Stamp copy of original acceptable)

8.1.2 Documents required for Sight Draft (30 days) facility:

- Copy of Bill of Lading (original with bank)
- Copy of commercial invoice (original with bank)

8.2.0 Demurrage as a result of the late receipt of the above documents may be charged to the supplier account

8.3.0 Supplier to arrange for the above documents to be air courier to the following address prior to the arrival of the vessel at the relevant PNG port of discharge.

The Senior Manager Procurement
PNG Power Limited
P.O Box 1105
Boroko.
National Capital District

Tenders:

Phone: 324 3433 / 324 3273 / 324 3348

Fax: 325 0791 / 325 0539

Email: tenders@pngpower.com.pg

9.0.0 **EXTENSION OF TERMS**

9.1.0 Subject to the satisfactory servicing of the agreement and the maintenance of a preferential price structure, PNG Power Ltd will normally offer suppliers 2 year extensions for a 3 year term with an option to offer a further 2 year extension to make a 5 year term.

9.2.0 Applications for minor price revisions to the base price to reflect any variations in costs other than metal price may be submitted at these times with supporting data for consideration by PNG Power Ltd. However, PNG Power Ltd retains the right to cancel the agreement at any time without prejudice and to call a new tender should price proposed increase and /or supplier performances deemed to be unacceptable.

10.0.0 **ACCEPTANCE OF TENDERS**

10.1.0 PNG Power Ltd may accept price agreements for any or all offers which are considered to be in PNG Power's interest.

10.2.0 All tenderers will be notified of the award of the tender normally within 3 months of the closing date. However, it is not our policy to disclose details of pricing agreements accepted or to engage in post tender correspondence. Decision made by PNG Power Ltd will be final.

11.0.0 STANDARD CONDITIONS OF TENDERING

11.1.0 Interpretation

11.1.1 In this standard condition of tendering for PNG Power Ltd, the words “Standard Condition of Contract” means the printed standard condition of contract Clauses for materials supply and delivery. Word importing the singular only shall include the plural and vice versa means the specification issued together with any schedule, lists and drawings attached thereto.

11.1.2 The word “Tender Documents” mean the tender invitation General Conditions of Tendering, the Tender, the Standard Conditions of Contract, Special conditions if any, the specification, if any, schedule of offer, and the letter accepting the tender. The words “Tender Invitation: means the PNG Power's printed invitation to tender.

11.2.0 Method

11.2.1 Tenders shall be placed in sealed envelopes, which shall be either: -

- The envelope provided with the invitation to tender.
- Other suitable envelope endorsed with the word “Tender” followed by tender No. Shown in the invitation to tender and addressed to – **The Chairman Tender Opening Committee, PNG Power Ltd, P.O Box 1105, Boroko, National Capital District, Papua New Guinea.**
- As per Instructions Tender Advertisement.

11.2.2 All tenders must be placed in the tender box located in the PNG Power Ltd National building, Hohola, before the closing time and dated stated on the Form of Tender. PNG Power Ltd will take all precautions to ensure that tenders received by mail, air freight or courier are placed in the tender box immediately upon receipts, but accept no liability for error or omission in this regard. A tender not received by closing time of the tender is a late tender in which event it will not be considered.

11.2.3 However, any late tender within 48 hours from the closing date will be considered under the discretion of Chairman Tender Opening Committee.

11.2.4 Tenderers must meet the following basic requirements:

- Tenderes must be registered with Investment Promotion Authority
- Tenders must meet PNG Power Limited Vetting Criteria as per attachment A, B & C.

11.2.4.1 Attachment (A) – Cover Letter

11.2.4.2 Attachment (B) – Notice to All Suppliers & Creditors

11.2.4.3 Attachment (C) – Creditor Vetting & Approval Form

11.3.0 Informal Tender

- 11.3.1 An informal tender is a tender which: -
- 11.3.2 Is not delivered in a sealed envelope as described in clause 11.2.0
- 11.3.3 Is not signed by the tender and witnessed
- 11.3.4 Is not accompanied by the schedule completed as to rates and other information required.
- 11.3.5 Is illegible and contains alteration or erasures not authenticated by the person signing the tender.
- 11.3.6 Is not accompanied by a tender deposit where specified.
- 11.3.7 Include conditions inconsistent with the specification.

11.4.0 Notices

- 11.4.1 A notice to be given to a tenderer may be posted to a Tenderer's address given in the tender. Posting will be deemed good service of notice and time mentioned in those conditions for doing any act after notice, will be reckoned from the time of posting the notice

11.5.0 Financial

- 11.5.1 Prices
 - 11.5.1.1 Tenderers are required to complete the schedule of offer identifying prices tendered and the basis of offer. Tender prices are to quoted in readily convertible currency except for any portion of the price that the Tenderer expects to spend in Papua New Guinea, which is to be identifying in the currency of Papua New Guinea.
 - 11.5.1.2 The submitted Tender shall be deemed to be firm unless a Tenderer indicates clearly in his tender that reserve the right to a price variation granted will be made solely at the discretions of the PNG Power Ltd which may also reject any application without reason.
- 11.5.2 Validity Period of Tenders: unless otherwise specified by PNG POWER Ltd all tenders will be open for acceptance for a period of not less than ninety days after closing date for lodging tenders.
- 11.5.3 Evaluation of Tenders: For the purpose of comparison of tenders, the amount of the currency of currencies in which the prices have been stated in each tender, will be converted to Papua New Guinea Kina at the selling rates of exchanges published by Bank of South Pacific applicable to similar transactions at the close of business on the closing date of the tender.

11.5.4 Tender Deposits

11.5.4.1 Subject to contract agreement between the contractor and PNG Power Ltd, a tenderer shall, if so require advice, lodge with his tender a deposit of the amount of 5 percent of the amount of the tender value in the form of cash or Bankers cheque. If the deposit exceeds K1000, an irrevocable Bank Guarantee from a bank trading in Papua New Guinea will be accepted in lieu.

11.5.4.2 The deposit lodged by a tenderer may be forfeited if: -

- (a) The tenderer withdraws his tender within the Validating period described of Tender.
- (b) After acceptance, the Tenderer fails to deliver goods or supplies item which do not conform to the specification within 90 days of placement of order.
- (c) The tenderer becomes indebted to PNG Power Ltd

11.6.0 Departure from Specification

11.6.1 If a tenderer offers equipment not fully complying with specification than he shall draw attention to each and every departure from the specification in his tender.

11.7.0 Delivery

11.7.1 The tenderer shall state firm delivery in the Schedule of Offer.

11.8.0 Acceptance

11.8.1 PNG Power Ltd reserves the right to accept separate tenders for any item or terms and does not bind itself to accept the lowest or any tender. No tender shall be deemed to having been accepted unless the fact of such acceptance has been notified in writing to the successful tenderer by PNG POWER Ltd.

11.8.2 After acceptance of tender, the documents will form the evidence of Terms of Contract between PNG Power Ltd and the Tenderer.

Validated by: _____ Date: ____ / ____ / ____
Team Leader Tenders & Supply Management

Endorsed by: _____ Date: ____ / ____ / ____
Acting Senior Manager Procurement

I (Name) ----- of (company name) -----

(Position) ----- have read **Conditions and Specifications** for the supply of goods and materials to PNG Power Ltd on a period contract and **Standard Conditions of Tendering** and have agreed to fully comply.

Signed for/ on behalf of:

SIGNATURE: -----

PHONE: -----

FAX: -----

EMAIL: -----

WITNESS: -----

POSITION: -----

Variations to tender documents requested (not valid until signed by Team Leader Tender.)

Note:

Signed documents must be sent together with the Tender Form.



PNG POWER Ltd

FINANCE & SHARED SERVICES BUSINESS UNIT PROCUREMENT GROUP TENDERS TEAM

INFORMATION TO TENDERERS

**TEAM LEADER TENDERS & SUPPLY MANAGEMENT
PNG POWER Ltd
P.O BOX 1105 BOROKO
NATIONAL CAPITAL DISTRICT
CORNER OF WARDS ROAD & CORDIA STREET, HOHOLA**

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DOCUMENT CONTROL

1.0.0 DOCUMENTS REQUIREMENTS

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- 1.1.3 Documents required for sight draft (30 days) facility:
- Copy of Bill of Lading (original with bank)
 - Copy of commercial invoice (original with bank)
- 1.1.4 Supplier to arrange for the above documents to be air courier to the following address prior to the arrival of the vessel at the relevant PNG port of discharge.

The Senior Manager Procurement
PNG Power Ltd
P.O Box 1105
Boroko.
National Capital District
Corner of Wards Road & Cordia Street, Hohola.
Papua New Guinea

Tenders:
Phone: 324 3433 / 324 3273 / 324 3348
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2.0.0 DELIVERIES

- 2.1.0 The supplier should notify PNG Power Ltd of the terms of shipment on receipt of each order. The shipment of all Goods & Materials shall be in containers (FCL / LCL) with items adequately bolted to protect them during transit and to ensure travel in an up-right position. Particular care should be taken to protect the goods and materials during transit.
- 2.1.1 Markings in all packages must also have Purchase Order number, Project Number and PNG Power's depot name or Port of delivery.



PNG POWER Ltd

FINANCE & SHARED SERVICES BUSINESS UNIT PROCUREMENT GROUP TENDERS TEAM

PNG POWER Ltd SUPPLIER'S ACTION GUIDE

PNG POWER Ltd SUPPLIER'S ACTION GUIDE

1. PURCHASE ORDER NUMBER

Purchase order number must be shown on all documents and on boxes associated with the order

2. PACKING

Goods must suitably and adequately pack to provide protection appropriate to the mode of dispatch. Fiber cartons should be used for sea freight unless they are shipped in sealed containers.

3. SUPPLY STATUS

For supply against term contract we expect orders to be executed within 28 days and other within the time frame advised in your quotation. Kindly keep us informed of changes in the supply status and notify us of dispatch details where possible. We now have a nominated forwarding agent who will contact you for details of orders we have placed with your company.

4. CONSIGNING GOODS

Address strictly as specified. DO NOT name a PNG Power Officer Ltd on any documents or package and DO NOT use our postal address for freight as this will delay payment.

5. LOCAL DELIVERY

When delivery is made by a local supplier it is to be to the stores nominated in the address. A stamped receipt **MUST BE** obtained showing an inward registration number of each package. Invoices for goods supplied and delivered elsewhere or released for collection without a purchase order will be rejected.

6. METHOD OF DESPATCH

We rely on the supplier to collate orders destined for the same destination and dispatch as follows:

6.1 < 20kg – Air Parcel Posted insured to maximum of K50 (for trace purposes only)

6.2 >20kg – < 60kg – Air Freight

6.3 >60kg – Sea Freight

6.4 Air Cargo should be consigned to Port Moresby only, using an approved agent of our Choice.

6.5 Sea cargoes are to be shipped to the main port nearest to the destination using our nominated agents. This will avoid storage charges arising from late receipt of shipping documents.

7. FREIGHT FORWARDERS

To enable tracking of our cargo we have our nominated Freight Forwarding Company who have been contracted to consolidate all our International Cargo. All Suppliers are directed to liaise with our Freight Forwarders to provide any information relative to our Purchase Orders.

8. ANCILLARY CHARGES

In addition to the cost shown on the order, PNG Power Ltd will accept ancillary charges as appropriate to the pricing terms identified below and shown on documents.

8.1 Ex Works: FOB Cost, Overseas Freight and Agency Fees.

8.2 FOB: Overseas Freight Only

8.3 C & F.F.L.S: Nil

8.4 PNG Power Ltd arranges for its own clearance and collection of all cargoes upon arrival in PNG. DO NOT instruct forwarding agents to clear and deliver on a door-to-door basis, as country charges will not be accepted.

9. DOCUMENTS – DISTRIBUTION

The commercial invoices to accompany air freighted goods. The original BOL and Commercial invoices for sea freight are to be sent by courier for customs pre-clearance.

10. INSURANCE

PNG Power arranges and carries its insurance cover unless otherwise stated.

11. PAYMENT PROCEDURES

Australian Suppliers, we will make payment on receipt of documents giving evidence of dispatch received together as follows:

11.1 Air Parcel Post: A copy of Postal receipt and invoice

11.2 Air Freight: A copy of AWB and invoice.

11.3 Sea Freight: Original BOL and original invoice.

11.4 Other Countries: 30 Days Sight Draft through Bank.

11.5 PNG Suppliers: 30 Days after receipt of goods

12. CORRESPONDENCE

Our address for Account Statement purposes is:

PNG Power Ltd
Wards Road, Hohola
P. O Box 1105
Boroko
National Capital District
Papua New Guinea

Use address below for enquiries relating to order and forwarding DOCUMENTS:

The Senior Manager Procurement
PNG Power Ltd
Wards Road, Hohola
P.O Box 1105
Boroko
National Capital District
Papua New Guinea

Fax: (675) 325 0791 / 325 0539
Phone: (675) 324 3569
Email: **VPasen@pngpower.com.pg**

Use address below for enquiries relating to payment:

The Expenditure Manager
Finance Division
Fax: (675) 325 7634
Phone: (675) 324 3359

13. BANKERS

Our Bank details:
Bank South Pacific
Overseas Trade Department
Douglas Street
P. O Box 173
Port Moresby
Papua New Guinea