

**REQUEST FOR PROPOSAL
(GOODS AND RELATED SERVICES)**

**Supply, Delivery, and Installation of
Solar Home Systems (SHS)**

REQUEST FOR PROPOSAL (RFP)

Project Title: Disaster Resilient Clean Energy Financing

Contract Ref: 02-2021

Date of Issue of Request: July 26, 2021

To: Eligible Bidders

Sir/Madam:

1. The National Development Bank of Palau (NDBP) (Purchaser) hereby requests you to submit price proposal/(s) for the supply of the following items:
 - (i) 800 units of solar home system (SHS) consisting of solar panels, inverter, mounting system, wiring and disconnects, and balance of system (other than inverter, mounting system and disconnects)
 - (ii) Installation services
 - (iii) Training

To assist your firm in the preparation of proposal we enclose the necessary **Scope of Supply of Goods and Related Services, Form of Proposal** and draft **Contract**.

2. If you/your firm, however, falls under any of the following conditions, your proposal shall not be considered:
 - (a) you/your firm have/has been associated with the firm that prepared the design and specifications, or engaged in the preparation of the Project for which the contract that is subject of this request for quotations was identified, or
 - (b) your firm is owned by the Purchaser.
3. To be qualified, your firm must have:
 - (a) Experience as a manufacturer or supplier of the items covered by this Request for Proposal and, as evidence, you must also attach a document of your firm's experience as supplier in at least one contract in the last 3 years of a size and nature that is similar to the items in the supply schedule of this contract. Experience in installation and maintenances services may be demonstrated by the subcontractor for the related services named in the Proposal
 - (b) An average annual turnover (AAT) of US\$1 million during the last three (3) years
 - (c) A minimum of 7 years of experience in electrical installations
 - (d) A minimum of 3 years of PV installations

If installation works will be sub-contracted, then the proposed subcontractor shall be the one to demonstrate and meet requirements (c) and (d).

4. The proposal should be submitted in accordance with the following instructions, procedures, and the terms and conditions of the **Contract**.

Preparation of Proposals

- (a) The Proposal shall include the following:
 - 1) Signed Form of Proposal
 - 2) Technical Proposal comprising the following:

- Manufacturer's technical specifications including drawings, if any, test reports of solar panels, inverters, mounting equipment, and other system accessories.
 - Approach and methodology of installation and training, mobilization schedule, delivery schedule based on the Delivery and Completion Time in the Scope of Supply of Goods and Related Services (Attachment 1), CV of key personnel for training and installation
 - Manufacturer's authorization for goods that the bidder do not manufacture or evidence that the bidder is an authorized distributor, or a reseller demonstrated by a letter of support from the manufacturer or distributor of the goods being offered
 - Any other information that you may see necessary to fully explain your proposal
- 3) Eligibility and Qualification documents comprising the following:
- Power-of-attorney or authorization of the person signing the Form of Proposal
 - If the bidder is a joint venture (JV) or proposed JV, copy of the JV agreement or letter of intent to form a JV
 - Company profile (include company presentation, brochure, and link to the company's website, if any)
 - Audited financial statements for the last three (3) years or a copy of the tax returns in the bidder's respective country for the last three (3) years.
 - Proof of executed projects & reference installations for each item being offered
 - Copy of ISO and/or any other certification(s), if any.
- (b) The price proposal shall be for all the items as described in attached documents and submitted only in the attached **Form of Proposal**. The currency of quoted prices and payment shall be **United States Dollar (US\$)**.
- (c) The prices should be quoted for supply and delivery to **Koror/Airai, Palau** and should be accompanied by adequate technical documentation and catalogue(s) and other printed material or pertinent information (in English language) for each item quoted, including names and addresses of firms providing after-sales service facilities in Koror, Palau. If firms providing after-sales services are not yet known, the Bidder shall include in its technical proposal an after-sales service plan.
- (d) Only one set of quotations for the above items shall be submitted. Your proposal must be typed or written in indelible ink and shall be signed by you or your authorized representative. Without a signature in your **Form of Proposal**, your proposal will not be considered further.
- (e) One original of the Proposal, and clearly marked "Original" shall be submitted. In addition, one copy marked as "COPY" shall be submitted. In case of any discrepancy between the Original and Copy, the original shall prevail. Alternatively, where postal submission is not possible considering the restrictions due to Covid-19, a copy of the Proposal may be uploaded via Dropbox. The link details may be requested from Ms. Kekeleldil Ulechong through email: kulechong@ndbp.com.
- (f) The Proposal should be valid for a period of **90 days** from the deadline for submission of the Proposal as indicated below. If you withdraw your Proposal during the validity period and/or refuse to accept the award of a contract when and if awarded, then you will be excluded from the list of Suppliers for the project for two years

Submission and Opening

- (g) The Proposal should be submitted by Friday August 27, 2021 3.00pm with the required documents that should be signed, sealed in an envelope and addressed to and delivered to the following address:

Purchaser's Address : Ms. Karla West
Position/Title : Operations Manager
Company : National Development Bank of Palau
Address : Main Branch, Ngetkib Village, P.O. Box 816
Koror, Republic of Palau, 96940
Email address : kwest@ndbp.com

Alternatively,

The **Proposal** with the required documents may be submitted electronically to the NDBP Dropbox. The dropbox details may be requested by emailing kulechong@ndbp.com

Evaluation of Proposals

- (h) The proposals will be evaluated by a tender committee that may include representatives of ADB, NDBP, PPUC and PEA. All information submitted will be treated in confidence to the extent protected by the laws of the Republic of Palau, and not disclosed to third parties, with the exception of NDBP, ADB, Palau Energy Administration (PEA), PPUC and GoP. It is anticipated that the evaluation and decision to proceed to place orders will occur within 90 days from the deadline for submission of proposals.
- (i) Proposals determined to be substantially responsive to this Request for Proposal will be evaluated by comparison of their offer prices. A proposal is not substantially responsive if it contains material deviations or reservations to the terms, conditions, and specifications in this Request for Proposal.
- (j) Evaluation Criteria
- 4) The proposals will be ranked according to their combined technical (St) and financial (Sf) scores using weights.
 - 5) Wt is the weight given to the Technical Proposal and equals 0.3; Wf is the weight given to the Financial Proposal and equals 0.7; ($Wt + Wf = 1$).
 - 6) The total score (S) will be determined as: $S = (St \times 0.3) + (Sf \times 0.7)$
 - 7) The firm achieving the highest total score (S) will be invited for negotiations.
 - 8) Methodology for calculating the financial score (Sf) is provided below:
 - 9) The lowest price ($Fmin$) will be given a financial score (Sf) of 100 points. The financial scores (Sf) of the other proposals will be computed according to the formula: $Sf = 100 \times Fmin/F$. In this formula, Sf is the financial score, $Fmin$ is the lowest price and F the price of the proposal under consideration.
 - 10) The technical score (St) will be calculated using the technical evaluation criteria and their respective weights given in the below table:

Technical Capacity (Weight = 50%)		Maximum Weight	Rating (0 to 100%)	Score
		(A)	(B)	(C = A x B)
(i)	Track record with grid connected solar home systems	30	90	27
(ii)	Experience with overseas sales and shipping	20		
(iii)	ISO and/or other certifications	10		
(iv)	Technical Team	10		
(v)	Installation approach and methodology	20		
(vi)	Training approach and methodology	10		
Total Points		100		
Product Specifications (Weight = 50%)				
(vii)	Panel Efficiency (20 points for base efficiency of 190 WP/m2 and 1 point for every additional WP/m2)	40		
(viii)	Conformity with specifications for the Balance of System	40		
(ix)	Ability to be operated and maintained in Palau	20		
Total Points		100		
Total Points				
Total Technical Capacity Score		50%	[Total Points from 'C']	
Total Product Specifications Score		50%	[Total Points from 'C']	
Total Technical Score				

11) The Bidder's technical proposal shall be scored in accordance the following narrative criteria:

- **95-100% (Excellent).** *Exceeds the Purchaser's requirements* for the component in question. The Bidder has submitted a comprehensive, logical and contract specific suite of documentation providing added value, over and above the requirements. The submission, complete with substantiation, *clearly demonstrates* that the Bidder has the ability, understanding, skills, resources, and knowledge of the component to support its successful implementation during the contract.
- **90-94% (Very Good).** *Fully or substantially meets the Purchaser's requirements* for the component in question. The Bidder has submitted a complete, logical and contract specific suite of documentation. The submission, complete with substantiation, *clearly demonstrates* that the Bidder has the ability, understanding, skills, resources, and knowledge of the component to support its successful implementation during the contract.
- **80-89% (Above Average).** *Meets most of the Purchaser's requirements* for the component in question. The Bidder has submitted a substantially complete suite of documentation. The submission, complete with substantiation, *adequately demonstrates* that the Bidder has the ability, understanding, skills, resources, and knowledge of the component to support its successful implementation during the contract.
- **70-79% (Average).** *Meets most of the Purchaser's requirements* for the component in question. The Bidder has submitted a substantially complete suite of documentation. The submission demonstrates that the Bidder meets

the core requirements of the bidding documents, *however there may be minor lack of clarity* that raise concerns regarding the ability, understanding, skills, resources, and knowledge to successfully implement the component during the contract, which would need to be resolved, if selected, prior to signing a contract.

- **40-69% (Below Average).** Meets some of the Purchaser's requirements for the component in question. The bidder has submitted a partially complete suite of documentation. The submission substantially lack alignment with the Purchaser's Requirements. The bidder does not adequately demonstrate its ability, understanding, skills, resources, and knowledge to successfully implement this component and thus undertake the contract successfully.
- **0-39% (Non-Complying).** Meets few of the requirements of Section 6 for the component in question or is otherwise rated "poor" where Section 6 is not directly relevant. There are substantial gaps in the bidder's submitted documentation. There is major lack of alignment with the Employer's Requirements within the submission. Does not comply and/or there is insufficient information to determine that the bidder has the ability, understanding, skills, resources, and knowledge to successfully undertake this component during the contract. A zero (0%) rating may be given if information relating to the component is not provided or so insufficient or incoherent to not permit a detailed evaluation of the component

- 12) A technical proposal that with a Total Technical Score of below 70 will be rejected as nonresponsive.
- 13) Delivery and Completion Time will be evaluated on a 'Pass' or 'Fail' basis. Proposals offering a delivery and completion time longer than the period indicated in Attachment 1 will be rejected as nonresponsive.
- 14) Bidder's qualifications will be evaluated on a 'Pass' or 'Fail' basis. A bidder that fails to meet any or all of the qualification criteria indicated in Number 3 (a-d) and Number 4 (a-f) above shall be disqualified.
- 15) The Purchaser reserves the right to accept or reject any proposal, and to annul the bidding process and reject all bids at any time prior to contract award, without thereby incurring any liability to the bidders. In case of annulment, all proposals submitted shall be promptly returned to the bidders.

(k) In evaluating the quotations, the Purchaser will adjust for any arithmetical errors as follows:

- 1) where there is a discrepancy between amounts in figures and in words, the amount in words will govern, and
- 2) where there is a discrepancy between the unit rate and the line item total resulting from multiplying the unit rate by the quantity, the unit rate as quoted will govern.

(l) If you refuse to accept the correction, your proposal will be rejected.

Award of Contract

(m) The Purchaser shall award the contract to the Supplier whose proposal has been determined to be substantially responsive to this Request for Proposal and whose proposal is ranked

highest according to their combined technical and financial scores using the weightings described under Evaluation Criteria.

- (n) At the time the Contract is awarded, the Purchaser reserves the right to increase or decrease the quantity of goods and related services originally specified in this Request for Proposal, provided this does not exceed 20% for increase in quantity or 20% for decrease in quantity, and without any change in the unit prices or other terms and conditions of the Proposal.
- (o) The Supplier whose proposal has been accepted will be notified by the Purchaser within 90 days from the date of submission of proposal through the return of a copy of the Form of Proposal with Acceptance signed by the authorized representative of the Purchaser.
- (p) The successful Supplier shall sign the Contract governed by the Contract Terms and Conditions.

5. Further information can be obtained from:

Ms. Karla T. West,
Operations Manager
National Development Bank of Palau
Email: kwest@ndbp.com

- 6. Suppliers shall observe the highest standard of ethics during the procurement and execution of such contracts. The Purchaser may reject a proposal for award if it determines that the supplier recommended for award or any other party, directly or through an agent, has engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices or other integrity violations in competing for, or in executing, the Contract.
- 7. Any misrepresentation that knowingly or recklessly misleads or attempts to mislead may lead to the automatic rejection of the proposal/bid or cancellation of the contract, if awarded.
- 8. A bidder shall not have a conflict of interest. All bidders found to have a conflict of interest shall be disqualified.

Sincerely,

(Purchaser)

Attachment 1

SUPPLY AND DELIVERY SCHEDULE

A. List of Goods and Related Services

Item No.	Description	Unit	Quantity
	Goods (SHS)		
1.	Solar Panels	Set	800
2.	Inverters	Unit	800
3.	Mounting Equipment	Set	800
4.	Wiring and Disconnects	Set	800
5.	Other Accessories	Set	800
	Related Services		
6.	Installation Services	SHS units	800
7.	Training	Lot	1

Instructions:

- Prices shall be quoted in United States Dollars
- Section A, Solar home system (SHS) comprises of Item 1,2,3,4 & 5.
- Each shipment shall have a complete SHS.
- The number of panels per SHS is to be suggested by the bidder
- Unit prices shall be quoted on Delivered Duty Paid (DDP) basis to NDBP designated storage facility.
- There is no custom duty on items imported under this tender
- Any and all incidental costs (like travel, stay, courier etc.) associated with this project shall be borne by the bidder. NDBP shall not compensate separately for these costs.
- Storage space for the imported material during the project and for spares after the project will be provided by NDBP
- Minimum wage in Palau is \$3.50 per hour.

B. Delivery and Completion Time

Goods

- Delivery and satisfactory inspection shall be completed within 18 months from contract execution.
- Delivery schedule shall be arranged with the Supplier during contract negotiation. Any substantial change to the agreed delivery schedule shall require a three-month advance notice to the Supplier

Training and Installation

- Installation of SHS shall be completed within 24 months.
- Installation schedule shall be arranged with the Supplier during contract. Any substantial change to the agreed installation schedule shall require a three-month advance notice to the Supplier.
- A total of a minimum of 12 persons nominated by the Purchaser shall be trained within 4 months from signing of the Contract.

Attachment 2

SCOPE OF SUPPLY OF GOODS AND RELATED SERVICES

A. Background

Palau's National Energy Policy (NEP) has set a target of 45% of renewable energy (RE) share of the electricity generation by 2025. Solar energy is an untapped resource in Palau, which has solar irradiation estimated at 5.5 - 5.9 kW/m² per day. Backed by multilateral and bilateral agencies, a number of grid connected rooftop solar programs have been implemented from 2010 to 2019. With a Net Metering Act in place and over 100 solar home systems successfully deployed, rooftop solar remains one of the best RE options for Palau.

Asian Development Bank (ADB) has offered to provide a financial intermediation (FI) grant to the Republic of Palau to create the Disaster Resilient Clean Energy Financing (DRCEF) facility. The National Development Bank of Palau (NDBP) has been designated to administer the DRCEF. Work undertaken on the project to date has identified that the installation of grid-connected rooftop solar home systems (SHS) as an economical and feasible source of RE generation, that will allow customers to offset their energy usage through net metering.

The NDBP now wishes to install an initial number of grid connected rooftop SHS and is issuing this Request for Proposal (RFP) to secure the necessary equipment and materials for this program on Delivered Duty Paid (DDP) basis, including training and installation. Import custom duty for shipments under this tender has been waived by the Government of Palau (GoP).

The ability of the equipment to perform in accordance with internationally recognized standards for solar products under tropical coastal conditions is of utmost importance. Only equipment that has been used successful for not less than five (5) years in similar environments will be considered.

B. Scope and Conditions of Supply

Proposals are sought from qualified suppliers/manufacturers and system integrators (hereinafter referred to as 'bidders') for the supply of approximately 800 units of 1.7kW SHS. The initial port of delivery for the items listed herein is Koror, Republic of Palau with delivery to NDBP designated storage facility in Koror or Airai. Bidders are allowed to engage a subcontractor for the installation services component of the contract subject to the approval of the Purchaser.

Due to the unique requirements of this project being undertaken by NDBP, the actual quantities to be purchased may vary, although a maximum quantity of 800 units to be ordered is given for guidance.

Prices shall be quoted for the maximum quantity. Offers for partial quantities shall not be considered.

NDBP may want to stagger the delivery of units and therefore may require shipment and delivery in multiple batches.

C. Technical Specifications of Solar Home System Components and Related Services

1. Photovoltaic Panels

- a. The photovoltaic (PV) modules shall be warranted for long-term reliability with output guarantees of > 90% after 10 years and >80% after 25 years under the tropical and coastal conditions in Palau. A copy of the complete warranty terms must be provided with the tender.
- b. The PV modules proposed by the bidder must comply with the following international standards:
 - ii. IEC 61215
 - iii. IEC 61730 Part 1 and Part 2
 - iv. IEC 61701 Salt and Mist Corrosion Severity Level 6

- c. The PV panels must have been tested by an internationally recognized testing facility and certified by that facility to meet internationally accepted standards. A copy of the test certificates must be provided as part of your response
- d. The PV panels will be made of monocrystalline silicon with power output ratio of greater than 190 Wp/m² under standard test conditions. Polycrystalline and/or thin film type solar PV panels are not acceptable.
- e. PV panels must be framed with anodized aluminum or marine grade stainless steel with appropriate mechanisms to prevent water and corrosion damage to the active components of the panel.
- f. High strength glass must be used for the transparent cover. The backing of the panel may be high strength glass or other material impermeable to water that is accepted under the applicable international standards.
- g. The panels must be supported by frame elements to avoid bending and twisting during strong winds. The panels should be able to withstand short-term wind speeds of 60 m/s and up to 2400 Pa of uplift.
- h. Connectors should be by standard “quick connect” type socket.
- i. The bidder will include as a part of the bid response at least the following information for the panels to be supplied:
 - i. Voc, Isc, Imp, Vmpp, and Wp at standard conditions
 - ii. The relationship between temperature and module output over the cell temperature range 25°C to 75°C
 - iii. Physical size and weight
 - iv. Details of the materials used in construction, including the frame, the connection boxes, the backing material and the encapsulation material.
 - v. Number of cells per panel

2. Photovoltaic Module Support Structures

- a. Roofs in Palau are made of concrete, metal, or wood. Most arrays are expected to be mounted on roofs made either from concrete or good quality metal roofing fastened to wooden purlins that are in turn fastened to wooden trusses. However, mountings should also be suitable for use with prefabricated steel buildings. For panel mounting rails, a spacing of 600 mm between purlins is to be assumed
- b. In cases, where the roof is not strong, ground mounting of panels could be required
- c. The panel mounting framing must support the panels in a manner that allows adequate air flow between the metal roofing and the back of the panels to keep heating of the panels to a minimum
- d. A spacing between the back of the panel and the highest part of the roofing metal that is between 60mm and 100mm will be acceptable
- e. All metal components and fastening hardware that are in actual contact with the steel roof must be marine grade stainless steel or a non-conducting material
- f. Direct aluminum to steel contact at any point in the assembly will not be acceptable.
- g. The tilt and direction of the roof surface will be maintained in the PV array therefore there is no requirement to provide a mounting that is not parallel to the roof surface

- h. The fastening method will be such as to always penetrate the corrugated metal at a high point on its surface and will include appropriate seals that prevent roof leaks due to the panel attachment for the life of the installation which is to be at least 20 years. Through bolting of modules is recommended
- i. All structures must be able to resist at least 20 years of outdoor exposure in the location's harsh tropical coastal environment without any appreciable corrosion or structural fatigue.
- j. Full technical specifications and detailed assembly instructions should be provided with the quotation showing the construction and assembly of the mounting structures and the details of the mounting of the modules and their attachment onto the supporting structure. These must specifically include physical size, and details of materials used in construction.
- k. Panel mountings supplied shall be standard commercial units manufactured specifically for mounting of solar panels on metal roofing and shall be adjustable to fit standard solar panels in the 300-350 Wp range.

3. Wiring

- a. Panel wiring shall be single conductor double insulated stranded copper wire with the conductor at least 4mm² in cross-sectional area or AWG 10 or larger.
- b. The minimum insulation voltage specification for the supplied cable will be 600VDC.
- c. The outside insulation sheath shall be specifically intended for outdoor use in high UV and high ambient temperature environments.
- d. Wire specifically intended for use in grid-connected solar systems should be proposed.
- e. Indoor wiring shall be standard two conductor house wiring 12AWG or 2.5 mm² stranded or solid copper wire.
- f. Supplier will provide full specifications for the wire and insulation materials that are supplied.

4. Dedicated Inverters

- a. String inverters with an input rating suitable for a 1.7kW SHS and designed for on-grid applications should be proposed.
- b. Inverter must have an efficiency rating of > 97% and be designed to provide a pure sine wave output at 120V 60Hz.
- c. They must be suitable for outdoor installation with an IP65 rating or above and suitably protected to be able last in a tropical, coastal environment.
- d. Other features that need to be included are:
 - i. Inbuilt MPPT charge controller
 - ii. Inbuilt isolation transformer to protect from grid surges and noise.
 - iii. User friendly Informative LCD display
 - iv. Dual MCB protection against short circuit protection for AC and DC
 - v. Option to select source priority between solar and grid
 - vi. Safe for home use with comprehensive protection features such as over-current, short-circuit, reverse polarity and anti-islanding
 - vii. Pure sine wave output for safety and noiseless operation of connected appliances
 - viii. Inbuilt communication through RS485 and/or wi-fi e. Should comply with grid regulations of Palau and international standards for safety -IEC 62109 - 1&2

5. Energy Meters

- a. Energy Meters for net metering purposes will be supplied by Palau Public Utility Company (PPUC). The recommended meter by the local utility is GE make with model number I-210+C.

6. Installation

- a. The Supplier shall consider localization of installation and maintenance throughout the project (about 2 years) by mobilizing staff (a minimum of 4 experts and may include local contractors), and providing quality training and on-the-job supervision to carry out maintenance and installation services.

- b. It is expected that the scope of works for the install program will be finalised with the winning bidder, but will broadly be as follows:

1) Initial Site Survey

- a. Undertake Site Specific Risk Assessment
 - i. Access & Egress.
 - ii. Working at Height.
 - iii. Test existing electrical installation.
 - iv. Confirm earthing arrangements.
- b. Confirm Roof – Type, Available Area, Angle and Fixings, any shading issues
- c. Distribution Board Type and Size
- d. Cable routes
- e. Agree Meter location with Homeowner. Must be located close to existing meter
- f. Confirm connection agreement with local Grid operator – Palau Public Utilities Corporation (PPUC)

2) Support Services

- a. Complete design for system based on Survey.
- b. Agree design with Homeowner.
- c. Agree Program of works with Homeowner.
- d. Place orders for plant and equipment from local facility warehousing Solar Home Systems.
- e. Undertake Method Statements and Risk Assessments for proposed works.
- f. Complete job pack with required information inc. designs and approvals.
- g. Assign Installation Team and Supervisor to job management system.

3) Installation

- a. Undertake works as per agreed design and program.
- b. Test and Commission works as per agreed design.

- c. Instruct Homeowner on operation of SHS system.
 - d. Instruct Homeowner on what to do in case of an emergency.
 - e. Leave SHS User manual with support contact numbers.
 - f. Complete paperwork and documentation.
 - g. Completed Job Pack to be submitted to Admin Team.
- 4) Administration
- a. Review and Sign off completed job.
- c. Installation of all the systems shall be in accordance with the Delivery and Completion Time in Attachment 1 (Scope of Supply of Goods and Related Services).

7. Training

- a. The Supplier shall conduct training and certification for installing and maintenance for local installers. The installation team should comprise of 50% local residents who have been trained by the Supplier. The supplier's trainer(s) will observe and oversee installations of a minimum 25% of total installations.
- b. It is expected that the scope of works for the training program will be finalised with the winning bidder, but will broadly as follows:

Due to the nature of the SHS works it is expected that training will be undertaken in phases.

1) Phase 1 – Selection – 4 to 8 weeks

- a. Place local adverts with Colleges, Universities, and social media
- b. Ideal mix of 50% Men and 50% Women
- c. Mix of applicants with existing electrical, building, roofing, administration and management skills will be identified.
- d. Max team of 12
 - i. 4 x Electrical – Basic electrical knowledge
 - ii. 4 x Building/Roofing – Experience of building methods and structures
 - iii. 2 x Supervision :-
 - 1. 1 X Electrical - Applicant with min 5 years' experience
 - 2. 1 x Building/Roofing with min 5 years' experience
 - iv. 1 x Administration
 - v. 1 x Project Management

2) Phase 2 – Classroom – 4 to 6 weeks

- a. All applicants will undergo General SHS Awareness training
- b. All applicants will undergo Safety, Health, Environmental and Quality training
 - i. Site Specific Risk Assessments
 - ii. Works Risk Assessments and Method Statements (WRAMS)

- c. Applicants will split into their related skill sets:-
 - i. In depth training on SHS system installation
 - ii. In depth training on testing and Commissioning
 - iii. In depth training on Documentation and Warranties
 - iv. Customer awareness training and engagement

3) Phase 3 – On the job Installation – 10 weeks

- a. Applicants will be split into 2 teams of 6
- b. Each team will install 2 complete installations under supervision of Trainers.
- c. Applicants will be split into mixed install skill teams of 4
- d. Each Supervisor will manage 2 teams
- e. Administration Clerk will prepare and collate paperwork
- f. Project Manager will prepare project plans
- g. Teams will install 5 sites each under supervision of trainers.

When all works are complete and signed off by Homeowners, Trainers and PPUC Applicants will Graduate

Graduates will then form the basis of the Local SHS Installation teams to undertake the remainder of the original 800 SHS systems.

- c. Trainers should have the following experience and qualifications:
 - i. Safety Harness & Lanyard Training
 - ii. Work at Height Training
 - iii. Licence for operating Mobile Elevating Work Platforms, Mast Climbing Work Platforms or Construction Hoists [(e.g. PAL Card)]
 - iv. Advanced understanding of electrical science, inspection & testing procedures, fault diagnosis and rectification and installation design accompanied by a relevant qualification from a governmental body [(e.g. BS 7671 IEE Regulation 18th Edition Level 3)]
 - v. Competency to work on the installation, commissioning and maintenance of low voltage electrical and electronic devices and appliances in a consumer's electrical installation [(e.g. ECS gold card)]
 - vi. Site Supervision Safety Training
 - vii. Site Management Safety Training
 - viii. Qualification in Electrotechnical Services - Electrical Installation [(e.g. 2356 -31 - Level 3)]
 - ix. Qualification in Inspection, Testing and Certification of Electrical Installation [(e.g. 2391-10 - Level 3)]
 - x. Maintenance and Troubleshooting

8. Operation Manual

- a. Develop a standard operating manual for the local team to carry their task effectively, complying with the product's requirements and power grid standards as per the USA.

FORM OF PROPOSAL

_____ (Date)

To: Ms. Claire Harvey
 President
 National Development Bank of Palau
 Main Branch, Ngetkib Village, P.O. Box 816
 Koror, Republic of Palau, 96940

We offer to execute the Supply, Delivery, and Installation of Solar Home System (SHS) in accordance with the **Contract Terms and Conditions** for the Contract Price of _____ [amount in words and numbers] (_____) [name of currency] broken down as follows:

Item No.	Description	Unit	Quantity	Unit Price (US\$)	Total Price (US\$)
	Goods				
1.	Solar Panels	Set	800		
2.	Inverters	Unit	800		
3.	Mounting Equipment	Set	800		
4.	Wiring and Disconnects	Set	800		
5.	Other Accessories	Set	800		
	Related Services				
6.	Installation Services	SHS units	800		
7.	Training	Lot	1		
				Total (US\$)	

We propose to complete the delivery of Goods and performance of the Related Services described in the Contract within the Delivery and Completion Time indicated in the **Scope of Supply of Goods and Related Services**.

This Proposal and your written acceptance will constitute a binding Contract between us. We understand that you are not bound to accept the lowest or any Proposal you receive.

We hereby confirm that this Proposal complies with the Validity of the Offer, **which is 90 days**, and Warranty conditions imposed by the **Request for Proposal** document and the **Contract Terms and Conditions**, respectively.

We have not been associated with the firm that prepared the design and specifications of the contract that is subject of this request for proposal and are not owned by the Purchaser.

Name of Supplier : _____
 Authorized Signature : _____
 Name of Signatory : _____
 Title of Signatory : _____
 Address : _____
 Telephone Number : _____
 Fax Number, if any : _____
 Email address (optional): _____

ACCEPTANCE

The Purchaser accepts the Supplier's offer to supply and deliver the goods. Attached is the Contract with accepted Contract price for Supplier's signature to be submitted to the Purchaser within 15 days from receipt. Please provide a Performance Security for the due performance of the Contract, within 15 days of receipt of this returned **Form of Proposal**, in the amount equivalent to 5% of the Contract Price.

Name of Purchaser : _____

Authorized Signature : _____

Name of Signatory : _____

Title of Signatory : _____

Date : _____

CONTRACT

Contract Title and Number	Supply, Delivery, and Installation of Grid Connected 1.7kW Solar Home Systems (SHS)
Name and Address and Contact information of Supplier	Vendor Name: Contact Name: Address: 1) 2) Phone: E-mail:
Contract amount	\$ [Insert Amount] for SHS
Beginning and Completion Date	<i>Contract period is xx calendar days.</i> <i>Contract execution date by Supplier: _____</i> <i>Contract completion date: _____</i>
NDBP Project Manager	<i>Claire Harvey,</i> <i>President, National Development Bank of Palau</i> <i>Phone: +680 587 3955</i> <i>E-Mail: charvey@ndbp.com</i>

This agreement and contract (hereafter referred to as "Contract") is made and entered into this _____ day of _____, 2021, by and between the National Development Bank of Palau hereinafter referred to as 'NDBP' and **[Insert Supplier Name]**, hereinafter referred to as 'Supplier'.

Whereas, NDBP has an immediate need for 800 units of 1.7kW Solar Home Systems (SHS), specified for deployment under a renewable energy program for the Republic of Palau; and

Whereas, NDBP issued a Request for Proposals (RFP) for the supply and installation of 800 units 1.7kW SHS; and

Whereas, pursuant to the RFP, NDBP received proposals from various companies; and

Whereas, NDBP evaluated the proposals from each bidder; and

Whereas, Supplier's proposal was determined by NDBP to provide the best products and services at the best price and that entering into this Contract is in the best interest of NDBP;

Now therefore, in consideration of the mutual covenants, terms, and conditions set forth in this Contract, Attachment A Request for Proposal and Attachment B (Supplier's Proposal), product details and specifications, and subsequent communications), both incorporated by this reference and made a part hereof, NDBP and Supplier agree as follows:

SECTION ONE: DESCRIPTION OF SCOPE OF SUPPLIER'S OBLIGATIONS AND WORK

The Supplier shall, in accordance with the terms of this Contract and within the Contract time specified in Section Three of this Contract, supply, deliver and perform the related services in accordance with the Scope of Supply of Goods and Related Services described below. The Supplier shall arrange all insurances as necessary for the DDP delivery of the shipment to the port of Koror and beyond to NDBP's Designated warehouse in Koror or Airai with all accessories, components, and parts as per the specifications mentioned below in subsections A & B. The Supplier shall provide all necessary parts list, operating and maintenance manuals in English for regular maintenance and overhauls of the supplied items. Supplier shall also perform other obligations specified for it elsewhere in this Contract.

Scope of Supply of Goods and Related Services

• **Grid Connected 1.7kW Solar Home Systems**

Supplier shall sell, supply, deliver, and transfer ownership to NDBP of the 1.7kW SHS, with the specifications indicated as follows:

Item No.	Description	Product Make	Ordered Quantity	Spare Quantity	Total Quantity
1.	Solar Panels				
2.	Inverters				
3.	Mounting Equipment				
4.	Wiring and Disconnects				
5.	Other Accessories				

The components of the SHS must meet the following specifications as appropriate:

1. Photovoltaic Panels

- a. The photovoltaic (PV) modules shall be warranted for long-term reliability with output guarantees of > 90% after 10 years and >80% after 25 years under the tropical, coastal conditions in Palau. A copy of the complete warranty terms must be provided with the tender.
- b. The PV modules proposed by Supplier must comply with the following international standards:
 - i. IEC 61215
 - ii. IEC 61730 Part 1 and Part 2
 - iii. IEC 61701 Salt and Mist Corrosion Severity Level 6
- c. The PV panels must have been tested by an internationally recognized testing facility and certified by that facility to meet internationally accepted standards. A copy of the test certificates must be provided with the tender
- d. Cells will be made of monocrystalline silicon with power output ratio of greater than 190 Wp/m² under standard test conditions. Polycrystalline and/or thin film type construction is not acceptable.
- e. PV modules must be framed with anodized aluminium or marine grade stainless steel with appropriate mechanisms to prevent water and corrosion damage to the active components of the panel.
- f. High strength glass must be used for the transparent covers. The backing of the panels may be high strength glass or other material impermeable to water that is accepted under the applicable international standards.
- g. The panels must be supported by frame elements to avoid bending and twisting during strong winds. The panels should be able to withstand short-term wind speeds of 60 m/s and up to 2400 Pa of uplift.
- h. Connectors should be by standard "quick connect" type socket
- i. Supplier shall provide test certificates and warranty documentation for the panels before shipping the material to Palau

2. Photovoltaic Module Support Structures

- a. a. Roofs in Palau are made of concrete, metal or wood. Most arrays are expected to be mounted on roofs made either from concrete or good quality metal roofing fastened to wooden purlins that are in turn fastened to wooden trusses. However, mountings should also be suitable for use with pre-fabricated steel buildings. For panel mounting rails, a spacing of 600 mm between purlins is to be assumed
- b. In cases, where the roof is not strong, ground mounting of panels could be required
- c. The panel mounting framing must support the panels in a manner that allows adequate air flow between the metal roofing and the back of the panels to keep heating of the panels to a minimum
- d. A spacing between the back of the panel and the highest part of the roofing metal that is between 60mm and 100mm will be acceptable
- e. All metal components and fastening hardware that are in actual contact with the steel roof must be marine grade stainless steel or a non-conducting material
- f. Direct aluminum to steel contact at any point in the assembly will not be acceptable.
- g. The tilt and direction of the roof surface will be maintained in the PV array therefore there is no requirement to provide a mounting that is not parallel to the roof surface
- h. The fastening method will be such as to always penetrate the corrugated metal at a high point on its surface and will include appropriate seals that prevent roof leaks due to the panel attachment for the life of the installation which is to be at least 20 years. Through bolting of modules is recommended
- i. All structures must be able to resist at least 20 years of outdoor exposure in the location's harsh tropical coastal environment without any appreciable corrosion or structural fatigue.
- j. Full technical specifications and detailed assembly instructions should be provided with the quotation showing the construction and assembly of the mounting structures and the details of the mounting of the modules and their attachment onto the supporting structure. These must specifically include physical size, and details of materials used in construction.
- k. Panel mountings supplied shall be standard commercial units manufactured specifically for mounting of solar panels on metal roofing and shall be adjustable to fit standard solar panels in the 300-350Wp range.

3. Wiring

- a. Panel wiring shall be single conductor double insulated stranded copper wire with the conductor at least 4mm² in cross-sectional area or AWG 10 or larger.
- b. The minimum insulation voltage specification for the supplied cable will be 600VDC.
- c. The outside insulation sheath shall be specifically intended for outdoor use in high UV and high ambient temperature environments.
- d. Wire specifically intended for use in grid-connected solar systems should be proposed.
- e. Indoor wiring shall be standard two conductor house wiring 12AWG or 2.5 mm² stranded or solid copper wire.

- f. Supplier will provide full specifications for the wire and insulation materials that are supplied.

4. Dedicated Inverters

- a. String inverters with an input rating suitable for a 1.7kW SHS and designed for on-grid applications should be proposed.
- b. Inverter must have an efficiency rating of > 97% and be designed to provide a pure sine wave output at 120V 60Hz.
- c. They must be suitable for outdoor installation with an IP65 rating or above and suitably protected to be able last in a tropical, coastal environment.
- d. Other features that need to be included are:
 - i. Inbuilt MPPT charge controller
 - ii. Inbuilt isolation transformer to protect from grid surges and noise.
 - iii. User friendly Informative LCD display
 - iv. Dual MCB protection against short circuit protection for AC and DC
 - v. Option to select source priority between solar and grid
 - vi. Safe for home use with comprehensive protection features such as over-current, short-circuit, reverse polarity and anti-islanding
 - vii. Pure sine wave output for safety and noiseless operation of connected appliances
 - viii. Inbuilt communication through RS485 and/or wi-fi e. Should comply with grid regulations of Palau and international standards for safety -IEC 62109 - 1&2

- **Installation**

See Scope of Supply of Goods and Related Services

- **Training**

See Scope of Supply of Goods and Related Services

- **Manuals**

Concurrent with the delivery to NDBP of the SHS, Supplier shall provide installation, operation, maintenance, and parts list manuals written in the English language for regular maintenance and major overhauls of the items supplied to NDBP as part of this Contract.

SECTION TWO: REPORTING

The NDBP Contracting Officer is the NDBP President. Supplier shall liaise with the NDBP Contracting Officer or her designated representative throughout the duration of this Contract. Matters of an unusual nature should be reported immediately to the NDBP President.

SECTION THREE: CONTRACT TIME

The Supplier shall fully carry out and perform all of its duties and obligation set forth in this Contract within twenty-four (24) months after the date of execution of this Contract by Supplier. Supplier understands that prompt performance of all work is required by NDBP in order to meet its schedules and commitments and that time is of the essence with, in, and under this Contract. The Contract period may only be extended by a written agreement between NDBP and Supplier.

SECTION FOUR: CONTRACT PRICE

Pursuant to the terms of Section Five of this Contract, NDBP will pay Supplier the total sum of [United States Dollars] (US\$[Insert Amount in number]) for full performance by Supplier of all of Supplier’s duties and obligations set forth in this contract. The total Contract price breakdown is as follows:

Item No.	Product and Services Description	Product Make	General Specifications	Unit	Unit Price (US\$)	Quantity	Amount (US\$)
	Goods						
1.	Solar Panels			Set			
2.	Inverters			Unit			
3.	Mounting Equipment			Set			
4.	Wiring and Disconnects			Set			
5.	Other Accessories			Set			
	Related Services						
6.	Installation Services	N/A		SHS Units			
7.	Training	N/A		Lot			

All the unit prices for Goods are on Delivered Duty Paid (DDP) basis.

It is understood and accepted by Supplier that the price of \$ [Insert Amount] towards supply of ____ units of SHS is NDBP’s total monetary obligation owed to Supplier under this Contract and, upon full payment of such sum to Contactor by NDBP, Supplier shall have no other claims or demands for payment against or on NDBP and NDBP shall have no further liability to Supplier under this Contract.

SECTION FIVE: PROGRESS AND FINAL PAYMENT

Payment of Supplier under this Contract shall be as follows:

Goods

- a. 20% of the Contract price of the goods shipped shall be paid within 30 days upon presentation of a Bill of Lading
- b. 80% of the Contract price of the goods shipped shall be paid within 30 days of receipt and satisfactory inspection by NDBP or their designated representative

Related Services

- a. 100% of the Contract price within 30 days upon satisfactory completion and inspection by NDBP or their designated representative, as to compliance in all aspects, of the related services for SHS;

Supplier shall invoice NDBP for each item specified above, invoices shall carry a NET30 payment term. Before payments are made and as a condition for the release of payment on each invoice, the NDBP Project Manager shall certify each invoice for full assurance of compliance with industry quality standards and technical specifications detailed in this Contract and its attachments.

SECTION SIX: CHANGE ORDERS

NDBP may, by written change order, require changes within the general scope of this Contract, in the schedule, specifications, or quantity or work to be performed under and pursuant to this Contract, and Supplier shall be entitled to an adequate adjustment in the price or time or performance required by such change. Such equitable adjustment shall not exceed the most favourable price charged by Supplier for similar work and shall not exceed the sum of US Dollars Twenty Five Thousand (\$25,000). Supplier shall present all claims for equitable adjustment in writing to NDBP within ten (10) days of such written change order, or such additional time as NDBP, in its discretion, may allow, and shall contain such supporting information and documentation regarding the cost of such changes as NDBP may require. If not so presented, such claim shall be deemed waived. Nothing in this Contract shall be construed as relieving Supplier from proceeding with the Contract, as changed. In order to be binding, any and all amendments, including change orders, to this contract must be in writing, signed by both parties.

SECTION SEVEN: DELIVERY

The SHS shall be delivered on or before the date specified in Section Three above. In the event of breach of this clause NDBP reserves the right to:

- a. Terminate this Contract without liability by giving an immediate notice and to charge Supplier with any loss incurred as a result of the Supplier's failure to make the delivery within the time specified; or
- b. Charge a penalty of 0.1% of the total Contract price for every day of delay or breach of the delivery schedule by Supplier.

SECTION EIGHT: CONFIDENTIAL INFORMATION

All media, documents, files, plans, drawings, reports, computer disks, magnetic media, electronic communications and reports, materials and information of any nature that are made available by NDBP to Supplier or that may become available to Supplier by virtue of this Contract or the relationship created by this Contract shall be held in strict confidence by Supplier and shall be used only in the performance of this Contract. All confidential disclosures made or such confidential information that is made available to Supplier by NDBP is made in reliance on this assurance.

SECTION NINE: OWNERSHIP OF WORK PRODUCTS

Any and all records, files, documents, plans, drawings, reports, storage media, and other materials and work products produced or modified by the Supplier under this Contract shall become the property of NDBP upon payment of the contract price. NDBP shall have the complete right to use and re-use such work products in any manner deemed appropriate by NDBP.

SECTION TEN: WARRANTIES

The Supplier will provide warranties for all components as defined herein and such warranty shall provide for the timely full replacement including delivery to Koror/Airai, at no cost to NDBP, of any component that may fail or fail to perform according to the agreed specifications within the Warranty Period.

The Supplier undertakes to maintain spares equivalent to 5% of the systems and/or components that have been installed at all times during the warranty period. These spares shall be provided to NDBP at no cost and shall be stored at a place designated by NDBP.

It is expected that the warranty for solar panels will be 10 years for physical problems and 25 years for the output staying within 20% of the rated value. For the inverter and mounting equipment and electrical accessories the warranty is 10-years from the date of installation. Any exceptions to these periods should be clearly indicated.

All warranties will clearly acknowledge the extreme tropical environment in which the systems are to be installed.

SECTION ELEVEN: FAULTY WORK OR PRODUCTS; WARRANTIES

Supplier shall perform all of its duties and obligations specified in and by this Contract in a professional manner meeting or exceeding the professional standards of the industry. Supplier shall guarantee the operational integrity of the products, work and services to be provided under this Contract and full compliance with the terms of this Contract and its attachments for the duration of time such products, work and services are utilized by NDBP, beginning from the date of the acceptance letter by the NDBP President. Any faults, defects, or problems discovered during this period shall be corrected promptly (within 10 days) by the Supplier at Supplier's expense.

If during the agreed warranty period for the products any of the work is found to not conform with the requirements of this Contract, Supplier shall correct it at Supplier's expense promptly after receipt of written notice from NDBP to do so; if Supplier fails to do so, NDBP may make a claim against Supplier for breach of warranty.

If Supplier fails to make the necessary corrections, or persistently fails to perform in accordance with this Contract, NDBP may issue a written order to Supplier to stop its performance hereunder until the cause for the order is corrected or eliminated; provided, however, that the right of NDBP to stop performance by Supplier shall not give rise to a duty on the part of NDBP to exercise this right for the benefit of Supplier or any other person or entity.

SECTION TWELVE: DELIVERY SCHEDULE; TERMINATION; REMEDIES

Time is of the essence of this Contract. Supplier acknowledges that NDBP has an immediate need for the SHS. and the services specified in this Contract. In the event the Supplier fails to perform as scheduled in this Contract, Supplier will be in breach of this Contract, and NDBP shall have the right to monetary compensation for value of replacement goods and services to complete the project and to terminate this Contract upon written notice to Supplier. NDBP shall also have all the rights and remedies provided by law, including but not limited to an award of reasonable attorney's fees and court costs in favour of it and against Supplier in the event of litigation initiated by NDBP against Supplier, in which NDBP is the prevailing party.

SECTION THIRTEEN: INDEMNIFICATION & INSURANCE

Supplier shall indemnify NDBP and hold NDBP and NDBP's agents, servants, and employees, entirely harmless from and against any and all claims, damages, losses and expenses, including attorney's fees and court costs, arising out of or resulting from or in any way relating to Supplier's actions, services, work, and performance under this Contract. Supplier shall further indemnify NDBP for any payment due to Supplier's suppliers and or sub-suppliers in connection with this contract.

Supplier shall arrange all insurances as necessary for the DDP delivery of the shipment to the port of Koror and beyond to NDBP's Designated warehouse in Koror/Airai. This cover shall also provide for loss or damage to all goods shipped up until they are unloaded at NDBP's designated warehouse within Koror or Airai. Evidence of such insurance shall be provided to the NDBP together with the shipping documents.

SECTION FOURTEEN: COVENANT NOT TO ASSIGN

It is agreed by the parties that there will be no assignment or transfer by Supplier of this Contract, nor of any interest in this Contract, without NDBP's prior written approval, and Supplier further covenants that Supplier and not a sub-contractor shall perform all duties and responsibilities to be performed hereunder. Should Supplier decide to engage a subcontractor, NDBP shall have the right to evaluate and accept or reject such a subcontractor.

SECTION FIFTEEN: APPLICABLE LAWS; VENUE

This Contract shall be construed and enforced in accordance with the laws of the Republic of Palau. All claims and cases regarding this Contract shall be instituted only in the Palau Supreme Court or any competent court of Palau, and judgments, rulings, decisions and orders rendered in such matters shall be enforceable in any courts outside of Palau against Supplier. Supplier specifically agrees to the jurisdiction of any competent Palau court, including the Palau Supreme Court, over it, and its officers and officials and in any and all cases, disputes, or claims brought before the court for resolution in Palau and agrees to be bound by Palau Court judgments and orders.

SECTION SIXTEEN: ATTORNEYS' FEES

In the event any action or case is filed in relation to this Contract, the unsuccessful party in the action or case shall pay to the successful party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the successful party's attorney's fees, including but not limited to those incurred for the enforcement of judgments, rulings decisions or orders and court costs, in and outside Palau.

SECTION SEVENTEEN: PROHIBITION AGAINST GRATUITIES, KICKBACKS OR CONTINGENCY FEES

It shall be a breach of ethical standards for Supplier to offer, give or agree to give an employee or former employee of NDBP, or for any employee or former employee of NDBP to solicit, demand, accept or agree to accept from Supplier, a gratuity or an offer of employment in connection with any decision, approval, disapproval, or recommendation, pertaining to this contract. Supplier by execution of this Contract hereby warrants that it has not retained for a contingency fee any person to solicit or secure this or any contract of NDBP.

SECTION EIGHTEEN: MISCELLANEOUS PROVISIONS

Supplier agrees to retain all records of or relating to this Contract, including but not limited to all invoices, payment receipts, drawings, plans, files, and other documents of or relating to this contract for three years after final payment and closure of any pending matters, and to permit NDBP unhindered access to such records.

NDBP shall have the right to examine, copy, and audit books and records of Supplier and any sub-contractor relating to this contract up to a year after the date of the Letter of Acceptance from NDBP pursuant to this Contract.

No waiver by any party of any right on any occasion shall be construed as a bar or waiver of any right or remedy on any future occasion.

As a condition precedent to receiving final payment of compensation under this Contract, Supplier shall execute and deliver a release, in a form approved by NDBP, of all claims known or unknown at the time of the final payment, against NDBP, their agents, and employees. If any obligations, liens, claims, security interests, or other encumbrances arising out to this Contract remain unsatisfied after payment is made to Supplier, Supplier agrees to indemnify or otherwise pay to NDBP any amounts NDBP may be compelled to pay in discharging such items, including all costs and reasonable attorney's fees.

SECTION NINETEEN: NON-EXCLUSIVITY

Notwithstanding any decision that NDBP may make to purchase products from Supplier, NDBP reserves the right that at any time, at any price, and without limitation, it may buy the same, similar, or replacement products from another supplier.

SECTION TWENTY: FORCE MAJEURE

Neither party will be in default nor liable for any delay or failure to comply with this Agreement due to any cause beyond the control of the affected party, excluding labour disputes, provided such party promptly notifies the other.

SECTION TWENTY-ONE: ENTIRE AGREEMENT

This Contract with its attachments (A and B) constitutes the entire binding agreement between the parties hereto and any prior understanding or representation of any kind preceding the date of this Contract shall not be binding on either party except to the extent incorporated in this Contract. No modification or amendment of this Contract shall be effect or binding on any of the parties hereto unless the same is reduced to writing and signed by the parties or their duly authorized agents.

IN WITNESS WHEREOF, each party to this agreement has caused it to be executed on the dates indicated below.

The National Development Bank of Palau
Approved as to form and legality:

Date:

NDBP Legal Counsel

Date:

Ms. Claire Harvey
President, NDBP

Certified for the availability of funds:
Account No:

Date:

CFO/Comptroller, NDBP

SUPPLIER:

Date:

[Insert Supplier Name]

PERFORMANCE SECURITY

[Bank's name, and address of issuing branch or office]

Beneficiary: [Name and address of the purchaser]
Date:
Performance Guarantee No.:

We have been informed that [name of the Supplier] (hereinafter called "the Supplier") has entered into Contract No. [reference number of the Contract] dated [date] with you, for the execution of [name of Contract and brief description of goods and related services] (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 Supplier, we [name of the bank] hereby irrevocably undertake to pay you any sum or sums not exceeding in total an amount of [name of the currency and amount in words]² [amount in figures] such sum being payable in the types and proportions of currencies in which the Contract Price is payable, upon receipt by us of your first demand in writing accompanied by a written statement stating that the Supplier 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 [date]day of [month], [year],³ and any demand for payment under it must be received by us at this office on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees, ICC Publication No. 458, except that subparagraph (ii) of Sub-article 20(a) is hereby excluded.

.....
[Signature(s) and seal of bank (where appropriate)]