

Invitation for Prequalification



PALAU PUBLIC UTILITIES CORPORATION

Date: January 14, 2025

Loan/Grant No. and Title: Grant No. 0931-PAL(EF). Grant Title: Disaster Resilient Clean Energy Finance Project – Additional Financing

Contract No. and Title: Solar PV systems for Non-residential Borrowers in Palau

Deadline for Submission of Applications: February 17, 2025

1. The Government of Palau has received financing from the Asian Development Bank (ADB) toward the cost of the Additional Financing for the Disaster Resilient Clean Energy Financing (DRCEF) facility, and it intends to apply part of the proceeds of this financing to payments under the contract named above. The purpose of this procurement process is to prequalify up to three (3) suppliers of Solar PV systems in Palau. The resultant contracts will be signed directly between the pre-qualified Applicant and the Non-residential Borrowers.
2. The Palau Public Utilities Corporation (PPUC) on behalf of National Development Bank of Palau (NDBP) intends to prequalify firms Applicant for the solar PV systems for the Non-residential Borrowers in Palau.
3. Only eligible Applicants with the key qualifications defined in the Prequalification Document may participate in this prequalification. This pre-qualification process is open to all Applicants from eligible source countries of ADB as described in the Instructions to Applicants.
4. To obtain the Prequalification Documents, Applicants should contact:

PPUC's Address: Ms. Kurihara Kurihara
Position/Title: Chief Procurement Officer
Company: Palau Public Utilities Corporation
Address: Medalaii Ernguul Road, P.O. Box 1372 Koror, Republic of Palau, 96940
Email address: j.kurihara@ppuc.com
5. Deliver your Application:
A separate Dropbox link will be provided to each Applicant. The Applicants shall email Ms. Johnny Kurihara at j.kurihara@ppuc.com request the Dropbox link for submission. The Application need to be deposited in the provided Dropbox link on or before the deadline:

Applications will be opened promptly after the deadline for Application submission in the virtual presence of Applicants' representatives who choose to attend.
6. PPUC reserves the right to accept or reject late Applications.
7. PPUC will not be responsible for any costs or expenses incurred by Applicants in connection with the preparation or delivery of their Applications.
8. PPUC will notify all Applicants in writing of the names of those Applicants who have been pre-qualified.

PREQUALIFICATION DOCUMENT

for Supply of Solar PV systems to the Non- residential Borrowers in Palau

Issued on: January 14, 2025

Closing on: February 17, 2025

Time: 4:00 Palau Time

Invitation for Prequalification No.: RFQ25-001

Country: Palau

Table of Contents

PART I – Prequalification Procedures

Section 1.	Instructions to Applicants.....	1-1
Section 2.	Application Data Sheet.....	2-1
Section 3.	Evaluation and Qualification Criteria	3-1
Section 4.	Application Forms.....	4-1
Section 5.	Eligible Countries.....	5-1

PART II – Supply Requirements

Section 6.	Schedule of Supply.....	6-1
------------	-------------------------	-----

PART III – Conditions of Contract and Contract Forms

Section 7.	General Conditions of Contract	7-1
Section 8.	Special Conditions of Contract	8-1
Section 9.	Contract Forms.....	9-1

Section 1: Instructions to Applicants

Table of Clauses

A. General	6
1.Scope of Application.....	6
2.Source of Funds.....	6
3.Fraud and Corruption	6
4.Eligible Applicants.....	9
5.Eligible Goods and Related Services	11
B. Contents of Prequalification document	11
6.Sections of the Prequalification document.....	11
7.Clarification of Prequalification document.....	12
8.Amendment of Prequalification document	12
C. Preparation of Applications.....	12
9.Cost of Prequalification	12
10. Language of Application.....	12
11. Documents Comprising the Application.....	12
12. Application Submission Sheets and Price Schedules.....	13
13. Alternative Bids.....	13
14. Bid Prices and Discounts	13
15. Currencies of Application	15
16. Documents Establishing the Eligibility of the Applicant.....	15
17. Documents Establishing the Eligibility of Goods and Related Services.....	16
18. Documents Establishing the Conformity of the Goods and Related Services to the Prequalification document.....	16
19. Documents Establishing the Qualifications of the Applicant	16
20. Period of Validity of Applications	16
21. Bid Security/ Bid-Securing Declaration.....	17
22. Format and Signing of Application	17
D. Submission and Opening of Applications.....	17

23.	Sealing and Marking of Applications	17
24.	Deadline for Submission of Applications	17
25.	Late Applications	18
26.	Withdrawal, Substitution, and Modification of Applications	18
27.	Application Opening.....	18
E.	Evaluation and Comparison of Applications	20
28.	Confidentiality	20
29.	Clarification of Applications.....	21
30.	Deviations, Reservations, and Omissions.....	21
31.	Examination of Technical Applications	21
32.	Responsive-ness of Technical Application	21
33.	Nonmaterial Non-conformities.....	22
34.	Qualification of the Applicant.....	22
35.	Examination of Price Applications	23
36.	Correction of Arithmetical Errors.....	23
37.	Conversion to Single Currency	23
38.	Domestic Preference	23
39.	Evaluation and Comparison of Price Applications	23
40.	Abnormally Low Applications	24
41.	Purchaser’s Right to Accept Any Application, and to Reject Any or All Applications.....	24
42.	Notice of Intention for Award of Contract	25
F.	Prequalification of Applicants.....	25
43.	Prequalification of Applicants	25
44.	Notification of Prequalification.....	25
45.	Bidding-Related Complaints.....	25

A. General

1. **Scope of Application**
 - 1.1 In connection with the Invitation for Prequalification (IFP) indicated in Section 2 (Application Data Sheet) (ADS), the Borrower issues this Prequalification Document to applicants interested in bidding for the works described in Section 6 (Scope of Contract). The number of contracts and the name and identification of each contract as well as the open competitive bidding (OCB) number corresponding to this prequalification are provided in the ADS.
 - 1.2 Throughout this Prequalification document, the term “in writing” means communicated in written form and delivered against receipt; except where the context requires otherwise, words indicating the singular also include the plural and words indicating the plural also include the singular; and “day” means calendar day.
2. **Source of Funds**
 - 2.1 The Borrower or Recipient (hereinafter called “Borrower”) indicated in the ADS has applied for or received financing (hereinafter called “funds”) from the Asian Development Bank (hereinafter called “ADB”) toward the cost of the project named in the ADS. The Borrower intends to apply a portion of the funds to eligible payments under the contract(s) for which this Prequalification document is issued.
 - 2.2 Payments by ADB will be made only at the request of the Borrower and upon approval by ADB in accordance with the terms and conditions of the Financing Agreement between the Borrower and ADB (hereinafter called the Financing Agreement), and will be subject in all respects to the terms and conditions of that Financing Agreement. No party other than the Borrower shall derive any rights from the Financing Agreement or have any claim to the funds.
3. **Fraud and Corruption**
 - 3.1 ADB requires Borrowers (including beneficiaries of ADB-financed activity) and their personnel, as well as firms and individuals participating in an ADB-financed activity, including but not limited to, Applicants, Suppliers, and Contractors, agents, subcontractors, subconsultants, service providers, sub suppliers, manufacturers (including their respective officers, directors, employees and personnel) under ADB-financed contracts to observe the highest standard of ethics during the procurement and execution of such contracts in accordance with ADB’s Anticorruption Policy (1998, as amended from time to time). In pursuance of this policy, ADB
 - (a) defines, for the purposes of this provision, the terms set forth below as follows:
 - (i) “corrupt practice” means the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party;
 - (ii) “fraudulent practice” means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

- (iii) “coercive practice” means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
 - (iv) “collusive practice” means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;
 - (v) “abuse” means theft, waste, or improper use of assets related to ADB-related activity, either committed intentionally or through reckless disregard;
 - (vi) “conflict of interest” means any situation in which a party has interests that could improperly influence that party’s performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations; and
 - (vii) “integrity violation” is any act, as defined under ADB’s Integrity Principles and Guidelines (2015, as amended from time to time), which violates ADB’s Anticorruption Policy, including (i) to (vi) above and the following: obstructive practice, violations of ADB sanctions, retaliation against whistleblowers or witnesses, and other violations of ADB’s Anticorruption Policy, including failure to adhere to the highest ethical standard.
- (b) will reject a proposal for award if it determines that the Applicant recommended for award or any of its officers, directors, employees, personnel, subconsultants, subcontractors, service providers, suppliers or manufacturers has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices or other integrity violations in competing for the Contract;
 - (c) will cancel the portion of the financing allocated to a contract if it determines at any time that representatives of the Borrower or of a beneficiary of ADB-financing engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices or other integrity violations during the procurement or the execution of that contract, without the Borrower having taken timely and appropriate action satisfactory to ADB to remedy the situation, including by failing to inform ADB in a timely manner at the time they knew of the integrity violations;
 - (d) will impose remedial actions on a firm or an individual, at any time, in accordance with ADB’s Anticorruption Policy and Integrity Principles and Guidelines, including declaring ineligible, either indefinitely or for a stated period of time, to participate¹ in ADB-financed, -administered, or -supported activities or to benefit from an ADB-financed, -administered, or -supported contract, financially or otherwise, if it at any time determines that the firm or

¹ Whether as a Contractor, Subcontractor, Consultant, Manufacturer or Supplier, or Service Provider; or in any other capacity (different names are used depending on the particular Bidding Document).

individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices or other integrity violations; and

- (e) will have the right to require that a provision be included in prequalification documents and in contracts financed, administered, or supported by ADB, requiring Applicants, suppliers and contractors, consultants, manufacturers, service providers and other third parties engaged or involved in ADB-related activities, and their respective officers, directors, employees and personnel, to permit ADB or its representative to inspect the site and their assets, accounts and records and other documents relating to the bid submission and contract performance and to have them audited by auditors appointed by ADB.

3.2 All Applicants, consultants, contractors, suppliers, manufacturers, service providers, and other third parties engaged or involved in ADB-related activities, and their respective officers, directors, employees and personnel, are obliged to cooperate fully in any investigation when requested by ADB to do so. As determined on a case by case basis by ADB, such cooperation includes, but is not limited to, the following:

- (a) being available to be interviewed and replying fully and truthfully to all questions asked;
- (b) providing ADB with any items requested that are within the party's control including, but not limited to, documents and other physical objects;
- (c) upon written request by ADB, authorizing other related entities to release directly to ADB such information that is specifically and materially related, directly or indirectly, to the said entities or issues which are the subject of the investigation;
- (d) cooperating with all reasonable requests to search or physically inspect their person and/or work areas, including files, electronic databases, and personal property used on ADB activities, or that utilizes ADB's Information and Communication Technology (ICT) resources or systems (including mobile phones, personal electronic devices, and electronic storage devices such as external disk drives);
- (e) cooperating in any testing requested by ADB, including but not limited to, fingerprint identification, handwriting analysis, and physical examination and analysis; and
- (f) preserving and protecting confidentiality of all information discussed with, and as required by, ADB

3.3 All Applicants, consultants, contractors and suppliers shall require their officers, directors, employees, personnel, agents to ensure that, in its contracts with its subconsultants, Subcontractors and other third parties engaged or involved in ADB-related activities, such subconsultants, Subcontractors and other third parties similarly are obliged to cooperate fully in any investigation when requested by ADB to do so.

- 3.4 PPUC hereby puts the Applicant on notice that the Applicant or any Joint Venture partner of the Applicant (if any) may not be able to receive any payments under the Contract if the Applicant or any of its Joint Venture partners, as appropriate, is, or is owned (in whole or in part) by a person or entity subject to applicable sanctions.
- 3.5 Furthermore, Applicants shall be aware of the provision stated in Subclause 3.2 and Subclause 35.1 (a)(iii) of the General Conditions of Contract.
- 4. Eligible Applicants**
- 4.1 A Applicant may be a natural person, private entity, or government-owned enterprise subject to ITA 4.5-or any combination of them with a formal intent to enter into an agreement or under an existing agreement in the form of a Joint Venture. In the case of a Joint Venture,
all parties to the Joint Venture shall be jointly and severally liable; and the Joint Venture shall nominate a representative who shall have the authority to conduct all businesses for and on behalf of any and all the parties of the Joint Venture during the bidding process and, in the event the Joint Venture is awarded the Contract, during contract execution.
- 4.2 A Applicant, and all parties constituting the Applicant, shall have the nationality of an eligible country, in accordance with Section 5 (Eligible Countries). A Applicant shall be deemed to have the nationality of a country if the Applicant is a citizen or is constituted, incorporated, or registered, and operates in conformity with the provisions of the laws of that country. This criterion shall also apply to the determination of the nationality of proposed subcontractors or suppliers for any part of the Contract, including related services.
- 4.3 A Applicant shall not have a conflict of interest. All Applicants found to have a conflict of interest shall be disqualified. A Applicant may be considered to be in a conflict of interest with one or more parties in this bidding process if any of, including but not limited to, the following apply:
- they have controlling shareholders in common; or
 - they receive or have received any direct or indirect subsidy from any of them; or
 - they have the same legal representative for purposes of this Bid; or
 - they have a relationship with each other, directly or through common third parties, that puts them in a position to have access to material information about or improperly influence the Bid of another Applicant, or influence the decisions of PPUC regarding this bidding process; or
 - a Applicant participates in more than one bid in this bidding process, either individually or as a partner in a Joint Venture, except for alternative offers permitted under ITA 13. This will result in the disqualification of all Bids in which it is involved. However, subject to any finding of a conflict of interest in terms of ITA 4.3 (a)–(d) above, this does not limit the participation of a Applicant

as a subcontractor in another bid or of a firm as a subcontractor in more than one Bid; or

a Applicant, Joint Venture partner, associates, parent company or any affiliated entity, participated as a consultant in the preparation of the design or technical specifications of the goods and services that are the subject of the Bid; or

a Applicant was affiliated with a firm or entity that has been hired (or is proposed to be hired) by PPUC or Borrower as Project Manager for the contract; or

a Applicant would be providing goods, works, or nonconsulting services resulting from or directly related to consulting services for the preparation or implementation of the project specified in the ADS ITA 2.1 that it provided or were provided by any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm; or

A Applicant that has a financial or familial relationship with staff of PPUC including project implementing/executing agency, or of a recipient of a part of the loan who: (i) are directly or indirectly involved in the preparation of the prequalification documents or specifications of the contract, and/or the bid evaluation process of such contract; or (ii) would be involved in the implementation or supervision of such contract unless the conflict stemming from such relationship has been resolved in a manner acceptable to ADB throughout the procurement process and execution of the contract.

- 4.4 A firm will not be eligible to participate in any procurement activities under an ADB-financed, -administered, or -supported project while under temporary suspension or debarment by ADB pursuant to its Anticorruption Policy (see ITA 3), whether such debarment was directly imposed by ADB, or enforced by ADB pursuant to the Agreement for Mutual Enforcement of Debarment Decisions. A bid from a temporarily suspended or debarred firm will be rejected and such bid may be in breach of debarment conditions, thereby subject to further ADB's investigation.
- 4.5 Government-owned enterprises in Palau shall be eligible only if they can establish that they (i) are legally and financially autonomous, (ii) operate under commercial law, and (iii) are not a dependent agency of PPUC.
- 4.6 A Applicant shall not be under suspension from Bidding by PPUC as a result of the execution of a Bid–Securing Declaration.
- 4.7 Applicants shall provide such evidence of their continued eligibility satisfactory to PPUC, as PPUC shall reasonably request.
- 4.8 Applicants shall be excluded if, by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, the Borrower's country prohibits any import of goods from, or payments to, a particular country, person or entity in respect of goods or services originating in that country. Where the Borrower's country prohibits payments to a particular person or

entity or for particular goods or services by such an act of compliance, that firm shall be excluded.

- 5. Eligible Goods and Related Services**
- 5.1 All Goods and Related Services to be supplied under the Contract and financed by ADB, shall have their country of origin in eligible source countries as defined in ITA 4.2, and all expenditures under the Contract will be limited to such Goods and Related Services.
- 5.2 For purposes of this clause, the term “goods” includes commodities, raw material, machinery, equipment, and industrial plants; and “related services” includes services such as insurance, transportation, installation, commissioning, training, and initial maintenance.
- 5.3 The term “country of origin” means the country where the goods have been mined, grown, cultivated, produced, manufactured, or processed; or through manufacture, processing, or assembly, another commercially recognized article results that differs substantially in its basic characteristics from its imported components.
- 5.4 The nationality of the firm that produces, assembles, distributes, or sells the goods shall not determine their origin.

B. Contents of Prequalification document

- 6. Sections of the Prequalification document**
- 6.1 The Prequalification document consists of Parts I, II, and III, which include all the sections indicated below, and should be read in conjunction with any addenda issued in accordance with ITA 8.
- PART I Bidding Procedures**
- Section 1 Instructions to Applicants (ITA)
 - Section 2 Application Data Sheet (ADS)
 - Section 3 Evaluation and Qualification Criteria (EQC)
 - Section 4 Application Forms (APF)
 - Section 5 Eligible Countries (ELC)
- PART II Supply Requirements**
- Section 6 Schedule of Supply (SS)
- PART III Conditions of Contract and Contract Forms**
- Section 7 General Conditions of Contract (GCC)
 - Section 8 Special Conditions of Contract (SCC)
 - Section 9 Contract Forms (COF)
- 6.2 The IFP issued by PPUC is not part of the Prequalification document.
- 6.3 PPUC is not responsible for the completeness of the Prequalification document and its addenda, if they were not obtained directly from the source stated by PPUC in the IFP.
- 6.4 The Applicant is expected to examine all instructions, forms, terms, and specifications in the Prequalification document. Failure to furnish all information or documentation required by the Prequalification document, may result in the rejection of the Application.

- | | | |
|---|-----|---|
| 7. Clarification of Prequalification on document | 7.1 | A prospective Applicant requiring any clarification on the Prequalification document shall contact PPUC in writing at PPUC's address indicated in the ADS. PPUC will respond in writing to any request for clarification, provided that such request is received no later than 21 days prior to the deadline for submission of Applications. PPUC shall forward copies of its response to all Applicants who have acquired the Prequalification document in accordance with ITA 6.3, including a description of the inquiry but without identifying its source. Should PPUC deem it necessary to amend the Prequalification document as a result of a clarification, it shall do so following the procedure under ITA 8 and ITA 24.2. |
| 8. Amendment of Prequalification on document | 8.1 | At any time prior to the deadline for submission of the Applications, PPUC may amend the Prequalification document by issuing addenda. |
| | 8.2 | Any addendum issued shall be part of the Prequalification document and shall be communicated in writing to all who have obtained the Prequalification document directly from PPUC in accordance with ITA 6.3. |
| | 8.3 | To give prospective Applicants reasonable time in which to take an addendum into account in preparing their Applications, PPUC may, at its discretion, extend the deadline for the submission of the Applications, pursuant to ITA 24.2 |

C. Preparation of Applications

- | | | |
|---|------|---|
| 9. Cost of Prequalification on | 9.1 | The Applicant shall bear all costs associated with the preparation and submission of its Application, and PPUC shall in no case be responsible or liable for those costs, regardless of the conduct or outcome of the prequalification process. |
| 10. Language of Application | 10.1 | The Application, as well as all correspondence and documents relating to the Application exchanged by the Applicant and PPUC, shall be written in the language specified in the ADS. Supporting documents and printed literature that are part of the Application may be in another language provided they are accompanied by an accurate translation of the relevant passages in the language specified in the ADS, in which case, for purposes of interpretation of the Application, such translation shall govern. |
| 11. Documents Comprising the Application | 11.1 | The Application shall comprise two envelopes submitted simultaneously, one containing the Technical Application and the other the Price Application, both envelopes enclosed together in an outer single envelope. |

- 11.2 The Technical Application submitted by the Applicant shall comprise the following:

Technical Application Submission Sheet;

- written confirmation authorizing the signatory of the Application to commit the Applicant, in accordance with ITA 22;
- documentary evidence in accordance with ITA 16, establishing the Applicant's eligibility to submit an Application;
- documentary evidence in accordance with ITA 17, that the Goods and Related Services to be supplied by the Applicant are of eligible origin;
- documentary evidence in accordance with ITA 18 and ITA 32, that the Goods and Related Services conform to the Prequalification document;
- documentary evidence in accordance with ITA 19, establishing the Applicant's qualifications to perform the contract if its Bid is accepted; and
- any other document required in the ADS.

- 11.3 The Price Bid submitted by the Applicant shall comprise the following:

- Price Bid Submission Sheet and the applicable Price Schedules, in accordance with ITA 12, ITA 14, and ITA 15;
- alternative Price Bid corresponding to the alternative Technical Bid, if permissible, in accordance with ITA 13; and
- any other document required in the ADS.

12. Application Submission Sheets and Price Schedules

- 12.1 The Applicant shall submit the Technical Application Submission Sheet and the Price Application Submission Sheet using the form furnished in Section 4 (Application Forms). These forms must be completed without any alterations to their format, and no substitutes shall be accepted. All blank spaces shall be filled in with the information requested.

- 12.2 The Applicant shall submit, as part of the Price Application, the Price Schedules for Goods and Related Services, according to their origin as appropriate, using the forms furnished in Section 4 (Application Forms) and as required in the ADS.

13. Alternative Bids

- 13.1 Unless otherwise indicated in the ADS, alternative Applications shall not be considered.

14. Bid Prices and Discounts

- 14.1 The prices and discounts quoted by the Applicant in the Price Application Submission Sheet and in the Price Schedules shall conform to the requirements specified below.

- 14.2 All items in the Schedule of Supply must be listed and priced separately in the Price Schedules. If a Price Schedule shows items listed but not priced, their prices shall be assumed to be included in the prices of other items. Items not listed in the Price Schedule shall

be assumed not to be included in the Application, and provided that the Application is substantially responsive, the corresponding adjustment shall be applied in accordance with ITA 33.3. Unit rates and prices for all items in the Schedule of Supply shall be expressed in positive values. If unit rates and prices are expressed in negative values, the Application will be rejected.

- 14.3 The price to be quoted in the Price Application Submission Sheet shall be the total price of the Application excluding any discounts offered. Absence of the total Application price in the Price Application Submission Sheet may result in the rejection of the Application.
- 14.4 The Applicant shall quote discounts and the methodology for their application in the Price Application Submission Sheet.
- 14.5 The terms EXW, CIF, CIP, and other similar terms shall be governed by the rules prescribed in the current edition of Incoterms, published by the International Chamber of Commerce, at the date of the Invitation for Prequalification or as specified in the ADS.
- 14.6 Prices proposed in the Price Schedule Forms for Goods and Related Services, shall be disaggregated, when appropriate, as indicated in this sub-clause. This disaggregation shall be solely for the purpose of facilitating the comparison of Applications by PPUC. This shall not in any way limit PPUC's right to contract on any of the terms offered

for Goods offered from within Palau:

- (i) the price of the goods quoted EXW (ex works, ex factory, ex warehouse, ex showroom, or off-the-shelf, as applicable), including all customs duties and sales and other taxes already paid or payable on the components and raw material used in the manufacture or assembly of goods quoted ex works or ex factory, or on the previously imported goods of foreign origin quoted ex warehouse, ex showroom, or off-the-shelf;
- (ii) sales tax and all other taxes applicable in Palau and payable on the Goods if the Contract is awarded to the Applicant; and
- (iii) the total price for the item.

for Goods offered from outside Palau:

- (iv) the price of the goods quoted CIF (named port of destination), or CIP (border point), or CIP (named place of destination), in Palau, as specified in the ADS;
- (v) the price of the goods quoted FOB port of shipment (or FCA, as the case may be), if specified in the ADS; and
- (vi) the total price for the item.

for Related Services whenever such are specified in the Schedule of Supply:

- (vii) the local currency cost component of each item comprising the Related Services; and

- (viii) the foreign currency cost component of each item comprising the Related Services, inclusive of all customs duties, sales and other similar taxes applicable in Palau, payable on the Related Services, if the Contract is awarded to the Applicant.
- 14.7 Prices quoted by the Applicant shall be fixed during the Applicant's performance of the Contract and not subject to variation on any account, unless otherwise specified in the ADS. A Application submitted with an adjustable price quotation shall be treated as nonresponsive and shall be rejected, pursuant to ITA 32. If in accordance with the ADS, prices quoted by the Applicant shall be subject to adjustment during the performance of the Contract in accordance with Clause 15.2 of the General Conditions of Contract in Section 7, an Application submitted with a fixed price will also be treated as nonresponsive and be rejected.
- 14.8 If so indicated in ITA 1.1, Applications are being invited for individual contracts (lots) or for any combination of contracts (packages). Unless otherwise indicated in the ADS, prices quoted shall correspond to 100% of the items specified for each lot and to 100% of the quantities specified for each item of a lot. Applicants wishing to offer any price discount for the award of more than one Contract shall specify in their Price Applications the price discount applicable to each package, or alternatively, to individual Contracts within the package. Price discounts shall be submitted in accordance with ITA 14.4, provided the Price Applications for all lots are submitted and opened at the same time.
- 15. Currencies of Application** 15.1 Application prices shall be quoted in the following currencies:
- Applicants may express their Application price in any freely convertible currency. If a Applicant wishes to be paid in a combination of amounts in different currencies, it may quote its price accordingly.
- If some of the expenditures for the Related Services are to be incurred in Palau, such expenditures should be expressed in the Application and will be payable in USD.
- 16. Documents Establishing the Eligibility of the Applicant** 16.1 To establish their eligibility in accordance with ITA 4, Applicants shall complete the eligibility declarations in the Application Submission Sheet, included in Section 4 (Application Forms); and if the Applicant is an existing or intended Joint Venture in accordance with ITA 4.1, submit a copy of the Joint Venture Agreement, or a letter of intent to enter into such an Agreement. The respective document shall be signed by all legally authorized signatories of all the parties to the existing or intended Joint Venture, as appropriate.

- | | | |
|---|------|--|
| 17. Documents Establishing the Eligibility of Goods and Related Services | 17.1 | To establish the eligibility of the Goods and Related Services, in accordance with ITA 5, Applicants shall complete the Country of Origin Declaration Form included in Section 4 (Application Forms). |
| 18. Documents Establishing the Conformity of the Goods and Related Services to the Prequalification document | 18.1 | To establish the conformity of the Goods and Related Services to the Prequalification document, the Applicant shall furnish as part of its Technical Application documentary evidence that the Goods and Related Services conform to the requirements specified in Section 6 (Schedule of Supply). |
| | 18.2 | The documentary evidence may be in the form of literature, drawings or data, and shall consist of a detailed item-by-item description of the essential technical and performance characteristics of the Goods and Related Services, demonstrating substantial responsiveness of the Goods and Related Services to those requirements, and if applicable, a statement of deviations and exceptions to the provisions of Section 6 (Schedule of Supply). |
| | 18.3 | Standards for workmanship, process, material, and equipment, as well as references to brand names or catalogue numbers specified by PPUC in Section 6 (Schedule of Supply), are intended to be descriptive only and not restrictive. The Applicant may offer other standards of quality, brand names, and/or catalogue numbers, provided that it demonstrates, to PPUC's satisfaction, that the substitutions ensure substantial equivalence or are superior to those specified in Section 6 (Schedule of Supply). |
| 19. Documents Establishing the Qualifications of the Applicant | 19.1 | To establish its qualifications to perform the Contract, the Applicant shall submit as part of its Technical Proposal the evidence indicated for each qualification criteria specified in Section 3 (Evaluation and Qualification Criteria). |
| | 19.2 | If so required in the ADS, a Applicant that does not manufacture or produce the Goods it offers to supply shall submit the Manufacturer's Authorization using the form included in Section 4 (Application Forms) to demonstrate that it has been duly authorized by the manufacturer or producer of the Goods to supply these Goods in Palau. |
| | 19.3 | If so required in the ADS, a Applicant that does not conduct business within Palau shall submit evidence that it will be represented by an agent in the country equipped and able to carry out the Supplier's maintenance, repair, and spare parts-stocking obligations prescribed in the Conditions of Contract and/or Technical Specifications. |
| 20. Period of Validity of Applications | 20.1 | Applications shall remain valid for the Application validity period specified in the ADS. The Application validity period starts from the date fixed for the Application submission deadline date prescribed by |

PPUC in accordance with ITA 24.1. A Application valid for a shorter period shall be rejected by PPUC as nonresponsive.

- 20.2 In exceptional circumstances, prior to the expiration of the Application validity period, PPUC may request Applicants to extend the period of validity of their Applications. The request and the responses shall be made in writing. If a Application Security is requested in accordance with ITA 21, it shall also be extended 28 days beyond the deadline of the extended Application validity period. An Applicant may refuse the request without forfeiting its Application Security. A Applicant granting the request shall not be required or permitted to modify its Application.
- 21. Bid Security/
Bid-Securing
Declaration** 21.1 Not applicable
- 22. Format and
Signing of
Application** 22.1 The Applicant shall prepare file with Technical Application and one file with the Price Application as described in ITA 11 and name each file "TECHNICAL APPLICATION" and "PRICE APPLICATION" respectively.
- 22.2 The Application shall be typed or written in indelible ink and shall be signed by a person duly authorized to sign on behalf of the Applicant. This authorization shall consist of a written confirmation as specified in the ADS and shall be attached to the Application. The name and position held by each person signing the authorization must be typed or printed below the signature. If a Applicant submits a deficient authorization, the Application shall not be rejected in the first instance. PPUC shall request the Applicant to submit an acceptable authorization within the number of days as specified in the ADS. Failure to provide an acceptable authorization within the period stated in PPUC's request shall cause the rejection of the Application. If either the Application Submission Sheet is not signed, the Application shall be rejected.
- 22.3 Any amendments such as interlineations, erasures, or overwriting shall be valid only if they are signed or initialled by the person signing the Application.

D. Submission and Opening of Applications

- 23. Sealing and
Marking of
Applications** 23.1 Applicants shall submit their Applications as specified in the ADS.
- 24. Deadline for
Submission
of
Applications** 24.1 Applications must be received by PPUC at the address and no later than the date and time indicated in the ADS.
- 24.2 PPUC may, at its discretion, extend the deadline for the submission of Applications by amending the Prequalification document in accordance with ITA 8, in which case all rights and obligations of

PPUC and Applicants previously subject to the deadline shall thereafter be subject to the deadline as extended.

- 25. Late Applications**
- 25.1 PPUC shall not consider any Application that arrives after the deadline for submission of Applications, in accordance with ITA 24. Any Application received by PPUC after the deadline for submission of Applications shall be declared late, rejected, and returned unopened to the Applicant.
- 26. Withdrawal, Substitution, and Modification of Applications**
- 26.1 A Applicant may withdraw, substitute, or modify its Application after it has been submitted by sending a written notice, duly signed by an authorized representative, and shall include a copy of the authorization in accordance with ITA 22.2 (except for withdrawal notices, which do not require copies). The corresponding substitution or modification of the Application must accompany the respective written notice. All notices must be prepared and submitted in accordance with ITA 22 and ITA 23 (except for withdrawal notices, which do not require copies), and in addition, the respective inner and outer envelopes shall be clearly marked "WITHDRAWAL," "SUBSTITUTION," "MODIFICATION;" and received by PPUC prior to the deadline prescribed for submission of Applications, in accordance with ITA 24.
- 26.2 Applications requested to be withdrawn in accordance with ITA 26.1 shall be returned unopened to the Applicants.
- 26.3 No Application may be withdrawn, substituted, or modified in the interval between the deadline for submission of Applications and the expiration of the period of Application validity specified by the Applicant on the Technical Application Submission Sheet or any extension thereof.
- 27. Application Opening**
- 27.1 PPUC shall open the Technical Applications in public at the address, on the date, and time specified in the ADS in the presence of Applicant's designated representatives and anyone who choose to attend. Any specific electronic Application opening procedures required if electronic bidding is permitted in accordance with ITA 23.1, shall be as specified in the ADS.
- 27.2 The Price Applications will remain unopened and will be held in custody of PPUC until the time of opening of the Price Applications. The date, time, and location of the opening of Price Applications will be advised in writing by PPUC. If the Technical Application and the Price Application are submitted together as one file, PPUC may reject the Application.
- 27.3 First, files names "WITHDRAWAL" shall be opened, read out, and recorded, and the envelope containing the corresponding Application shall not be opened, but returned to the Applicant. No Application withdrawal shall be permitted unless the corresponding withdrawal notice contains a valid authorization to request the withdrawal and is read out and recorded at Application opening.

- 27.4 Next, files names "SUBSTITUTION" shall be opened. Only the Substitution Technical Application, if any, shall be opened, read out, and recorded. Substitution Price Application will remain unopened in accordance with ITA 27.2. No file shall be substituted unless the corresponding substitution notice contains a valid authorization to request the substitution and is read out and recorded at Application opening.
- 27.5 Next, file names "MODIFICATION" shall be opened. No Technical Application and/or Price Application shall be modified unless the corresponding modification notice contains a valid authorization to request the modification and is read out and recorded at the opening of Technical Applications. Only the Technical Applications, both Original as well as Modification, are to be opened, read out, and recorded at the opening. Price Applications, both Original as well as Modification, will remain unopened in accordance with ITA 27.2.
- 27.6 All other files holding the Technical Applications shall be opened one at a time, and the following read out and recorded
- the name of the Applicant;
 - whether there is a modification or substitution; and
 - any other details as PPUC may consider appropriate.

Only Technical Applications read out and recorded at Application opening shall be considered for evaluation. Unless otherwise specified in the ADS, all pages of the Technical Application Submission Sheet are to be initialed by at least three representatives of PPUC attending the Application opening. No Application shall be rejected at the opening of Technical Applications except for late Applications, in accordance with ITA 25.1.

- 27.7 PPUC shall prepare a record of the opening of Technical Applications that shall include, as a minimum: the name of the Applicant and whether there is a withdrawal, substitution, modification, or alternative offer. The Applicants' representatives who are present shall be requested to sign the record. The omission of a Applicant's signature on the record shall not invalidate the contents and effect of the record. A copy of the record shall be distributed to all Applicants.
- 27.8 At the end of the evaluation of the Technical Applications, PPUC will invite Applicants who have submitted substantially responsive Technical Applications and who have been determined as being qualified for award to attend the opening of the Price Applications. The date, time, and location of the opening of Price Applications will be advised in writing by PPUC. Applicants shall be given reasonable notice of the opening of Price Applications.
- 27.9 PPUC will notify in writing Applicants who have been rejected for submitting nonresponsive Technical Applications and return their Price Applications unopened, before opening the Price Applications of the substantially responsive Applicants.

- 27.10 PPUC shall conduct the opening of Price Applications of all Applicants who submitted substantially responsive Technical Applications, in the presence of Applicants' representatives who choose to attend at the address, on the date, and time specified by PPUC. The Applicant's representatives who are present shall be requested to sign a register evidencing their attendance.
- 27.11 All files containing Price Applications shall be opened one at a time and the following read out and recorded
- the name of the Applicant;
 - whether there is a modification or substitution;
 - the Application Prices, including any discounts and alternative offers; and
 - any other details as PPUC may consider appropriate.

Only Price Applications, discounts, and alternative offers read out and recorded during the opening of Price Applications shall be considered for evaluation. Unless otherwise specified in the ADS, all pages of the Price Application Submission Sheet and Price Schedules are to be initialed by at least three representatives of PPUC attending Application the opening. No Application shall be rejected at the opening of Price Applications.

- 27.12 PPUC shall prepare a record of the opening of Price Applications that shall include, as a minimum: the name of the Applicant, the Application Price (per lot if applicable), any discounts, and alternative offers. The Applicants' representatives who are present shall be requested to sign the record. The omission of a Applicant's signature on the record shall not invalidate the contents and effect of the record. A copy of the record shall be distributed to all Applicants who submitted Applications on time and posted online when electronic bidding is permitted.

E. Evaluation and Comparison of Applications

- 28. Confidentiality**
- 28.1 Information relating to the examination, evaluation, comparison, and qualification of Applications, and recommendation of contract award, shall not be disclosed to Applicants or any other persons not officially concerned with such process until the publication of Contract award.
- 28.2 Any attempt by a Applicant to influence PPUC in the examination, evaluation, comparison, of the Applications or Contract award decisions may result in the rejection of its Application.
- 28.3 Notwithstanding ITA 28.2, from the time of opening the Technical Applications to the time of Contract award, if any Applicant wishes to contact PPUC on any matter related to the bidding process, it should do so in writing.

- 29. Clarification of Applications**
- 29.1 To assist in the examination, evaluation, comparison and post-qualification of the Applications, PPUC may, at its discretion, ask any Applicant for a clarification of its Application. Any clarification submitted by a Applicant with regard to its Application and that is not in response to a request by PPUC shall not be considered. PPUC's request for clarification and the response shall be in writing. No change in the prices or substance of the Application shall be sought, offered, or permitted, except to confirm the correction of arithmetic errors discovered by PPUC in the evaluation of the Price Applications, in accordance with ITA 36.
- 29.2 If a Applicant does not provide clarifications on its Application by the date and time set in PPUC's request for clarification, its Application may be rejected.
- 30. Deviations, Reservations, and Omissions**
- 30.1 During the evaluation of Applications, the following definitions apply:
- (a) "Deviation" is a departure from the requirements specified in the Prequalification document;
 - (b) "Reservation" is the setting of limiting conditions or withholding from complete acceptance of the requirements specified in the Prequalification document; and
 - (c) "Omission" is the failure to submit part or all of the information or documentation required in the Prequalification document.
- 31. Examination of Technical Applications**
- 31.1 PPUC shall examine the Technical Application to confirm that all documents and technical documentation requested in ITA 11.4 have been provided, and to determine the completeness of each document submitted.
- 31.2 PPUC shall confirm that the following documents and information have been provided in the Technical Application. If any of these documents or information is missing, the offer shall be rejected:
- Technical Application Submission Sheet in accordance with ITA 12.1; and
 - Manufacturer's Authorization, if applicable.
- 32. Responsiveness of Technical Application**
- 32.1 PPUC's determination of a Technical Application's responsiveness is to be based on the contents of the Technical Application itself, as defined in ITA 11.
- 32.2 A substantially responsive Technical Application is one that meets the requirements of the Prequalification document without material deviation, reservation, or omission. A material deviation, reservation, or omission is one that,
- If accepted, would
- (i) affect in any substantial way the scope, quality, or performance of the Goods and Related Services specified in Section 6 (Schedule of Supply); or

- (ii) limits in any substantial way, inconsistent with the Prequalification document, PPUC's rights or the Applicant's obligations under the Contract; or

if rectified, would unfairly affect the competitive position of other Applicants presenting substantially responsive Technical Applications.

- 32.3 PPUC shall examine the technical aspects of the Application in particular, to confirm that all requirements of Section 6 (Schedule of Supply) have been met without any material deviation, reservation, or omission.
- 32.4 If a Technical Application is not substantially responsive to the Prequalification document, it shall be rejected by PPUC and may not subsequently be made responsive by the Applicant by correction of the material deviation, reservation, or omission.
- 33. Nonmaterial Non-conformities**
- 33.1 Provided that a Technical Application is substantially responsive, PPUC may waive nonconformities in the Application that does not constitute a material deviation, reservation, or omission.
- 33.2 Provided that a Technical Application is substantially responsive, PPUC may request that the Applicant submit the necessary information or documentation, within a reasonable period of time, to rectify nonmaterial nonconformities or omissions in the Technical Application related to documentation requirements. Requesting information or documentation on such nonconformities shall not be related to any aspect of the Price Application of the Application. Failure of the Applicant to comply with the request may result in the rejection of its Application.
- 33.3 Provided that a Technical Application is substantially responsive, PPUC shall rectify quantifiable nonmaterial nonconformities or omissions. To this effect, the Application Price shall be adjusted during evaluation of Price Applications, for comparison purposes only, to reflect the price of the missing or non-conforming item or component. The adjustment shall be made using the method indicated in Section 3 (Evaluation and Qualification Criteria).
- 34. Qualification of the Applicant**
- 34.1 PPUC shall determine to its satisfaction during the evaluation of Technical Applications whether Applicants meets the qualifying criteria specified in Section 3 (Evaluation and Qualification Criteria).
- 34.2 The determination shall be based upon an examination of the documentary evidence of the Applicant's qualifications submitted by the Applicant, pursuant to ITA 19. Unless permitted in the ADS, the determination shall not take into consideration the qualifications of other firms such as the Applicant's subsidiaries, parent entities, or affiliates.
- 34.3 An affirmative determination shall be a prerequisite for the opening and evaluation of a Applicant's Price Application. PPUC reserves the right to reject the Application of any Applicant found to be in

circumstances described in GCC 35.2. A negative determination shall result into the disqualification of the Application.

- | | | |
|--|------|--|
| 35. Examination of Price Applications | 35.1 | Following the opening of Price Applications, PPUC shall examine the Price Applications to confirm that all documents and financial documentation requested in ITA 11.3 have been provided, and to determine the completeness of each document submitted. |
| | 35.2 | PPUC shall confirm that the following documents and information have been provided in the Price Application. If any of these documents or information is missing, the offer shall be rejected:

Price Application Submission Sheet in accordance with ITA 12.1; and Price Schedules, in accordance with ITA 12, ITA 14, and ITA 15. |
| 36. Correction of Arithmetical Errors | 36.1 | During the evaluation of Price Applications, PPUC shall correct arithmetical errors on the following basis:

If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected, unless in the opinion of PPUC there is an obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern and the unit price shall be corrected.

If there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail, and the total shall be corrected.

If there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (a) and (b) above. |
| | 36.2 | If the Applicant that submitted the lowest evaluated Application does not accept the correction of errors, its Application shall be disqualified. |
| 37. Conversion to Single Currency | 37.1 | For evaluation and comparison of Price Applications, PPUC shall convert all Application prices expressed in the amounts in various currencies into a single currency, using the selling exchange rates established by the source and on the date specified in the ADS. |
| 38. Domestic Preference | 38.1 | Unless otherwise specified in the ADS, domestic preference shall not apply. |
| 39. Evaluation and Comparison of Price Applications | 39.1 | PPUC shall use the criteria and methodologies indicated in this clause. No other criteria or methodology shall be permitted. |
| | 39.2 | To evaluate a Price Application, PPUC shall consider the following: |

- the Application price as quoted in accordance with ITA 14;
 - price adjustment for correction of arithmetic errors in accordance with ITA 36.1;
 - price adjustment due to discounts offered in accordance with ITA 14.4;
 - adjustment for nonmaterial nonconformities in accordance with ITA 33.3;
 - assessment whether the Application is abnormally low in accordance with ITA 41;
 - price adjustment due to application of the evaluation criteria specified in Section 3 (Evaluation and Qualification Criteria). These criteria may include factors related to the characteristics, performance, and terms and conditions of purchase of the Goods and Related Services which shall be expressed to the extent practicable in monetary terms to facilitate comparison of Applications unless otherwise specified in Section 3; and
 - converting the amount resulting from applying (a) to (c) above, if relevant, to a single currency in accordance with ITA 37.
- 39.3 PPUC's evaluation of a Application will exclude and not take into account,
- in the case of Goods offered from within PPUC's country, all sales tax and all other taxes, applicable in PPUC's country and payable on the Goods if the Contract is awarded to the Applicant;
 - in the case of Goods offered from outside PPUC's country, all customs duties, sales tax, and other taxes, applicable in PPUC's country and payable on the Goods if the Contract is awarded to the Applicant; and
 - any allowance for price adjustment during the period of performance of the Contract, if provided in the Application.
- 39.4 If the Prequalification document allows Applicants to quote separate prices for different lots (contracts), and the award to a single Applicant of multiple lots (contracts), the methodology to determine the lowest evaluated price of the lot (contract) combinations, including any discounts offered in the Price Application Submission Sheet, is as specified in Section 3 (Evaluation and Qualification Criteria).
- 39.5 PPUC shall compare all substantially responsive Applications to determine the lowest evaluated Application, in accordance with ITA 39.
- 40. Abnormally Low Applications** 40.1 Not applicable
- 41. Purchaser's Right to** 41.1 PPUC reserves the right to accept or reject any Application, and to annul the prequalification process and reject all Applications at any

Accept Any Application, and to Reject Any or All Applications

time prior to Contract award, without thereby incurring any liability to the Applicants.

- | | | |
|--|------|---|
| 42. Notice of Intention for Award of Contract | 42.1 | If Standstill provisions apply as specified in the ADS, the standstill period shall be defined in the ADS to specify the duration subsequent to notification of intention for award of contract (before making the actual contract award) within which any unsuccessful Applicant can challenge the proposed award. |
|--|------|---|

F. Prequalification of Applicants

- | | | |
|---|------|---|
| 43. Prequalification of Applicants | 43.1 | Up to three lowest evaluated Applicants whose Applications have been determined to be substantially responsive to the requirements of the Prequalification Document and who have met or exceeded the specified criteria shall be prequalified by PPUC |
| 44. Notification of Prequalification | 44.1 | Once PPUC has completed the evaluation of the Applications it shall notify all Applicants in writing of the names of those applicants who have been prequalified. In addition, those Applicants who have been disqualified will be informed separately. |
| | 44.2 | 28.1 |
| | | 28.1 |
| 45. Bidding-Related Complaints | 45.1 | The procedures for dealing with Bidding-Related Complaints arising out of this bidding process are specified in the ADS. |

Section 2: Application Data Sheet

A. General	
ITA 1.1	The number of the Invitation for Prequalification (IFP) is: _____
ITA 2.1	The Borrower is: <u>Government of Palau</u>
ITA 2.1	The name of the Project is: <u>Additional Financing for the Disaster Resilient Clean Energy Financing (DRCEF) facility</u>
B. Contents of Prequalification document	
ITA 7.1	For clarification purposes only, PPUC's address is: PPUC's Address : Ms. Johanny Kurihara Position/Title : Chief Procurement Officer Company : Palau Public Utilities Corporation Address : Medalaii Ernguul Road, P.O. Box 1372, Koror, Republic of Palau, 96940 Email address : j.kurihara@ppuc.com
C. Preparation of Bids	
ITA 10.1	The language of the Bid is: <u>English</u>
ITA 11.2 (i)	The Applicant shall submit with its Technical Application the following additional documents: <ol style="list-style-type: none"> 1) <u>A copy of the complete warranty terms</u> 2) <u>A copy of the test certificates</u> 3) <u>A detailed description of approach for the collection, recycling and end-of life of LFP batteries</u> 4) <u>Technical approach on how the Applicant plans to deliver installation and maintenance services</u> 5) <u>Technical approach on how the Applicant plans to meet the sustainability requirements</u> 6) <u>Technical information for the panels to be supplied, including at a minimum:</u> <ol style="list-style-type: none"> a. <u>Voc, Isc, Impp, Vmpp, and Wp at standard conditions</u> b. <u>The relationship between temperature and module output over the cell temperature range 25°C to 75°C</u> c. <u>Physical size and weight</u> d. <u>Details of the materials used in construction, including the frame, the connection boxes, the backing material and the encapsulation material.</u> e. <u>Number of cells per panel.</u> 7) <u>Manufacturer's Authorization.</u>

ITA 12.2	The units and rates in figures entered into the Price Schedules should be typewritten. Price Schedules not presented accordingly may be considered nonresponsive.
ITA 14.5	The Incoterms edition is: <u>2020</u>
ITA 14.6 (b) (i)	For Goods offered from outside Palau, the Applicant shall quote prices using the following Incoterms: <u>DDP Place of Installation</u> . There is no customs duty and/or GST on items imported under this tender.
ITA 14.6 (b) (ii)	In addition to the above, the Applicant shall quote prices for Goods offered from outside Palau using the following Incoterms: <u>DDP Place of Installation</u> .
ITA 14.7	The prices quoted by the Applicant shall NOT be adjustable.
ITA 14.8	Quantities specified for this item are indicative. There is no guarantee that these will be the quantities under the resulting contract. These quantities will be used for evaluation purposes only.
ITA 19.2	The Applicant is required to submit documentation to substantiate that it is an authorized dealer, distributor or reseller of the goods being procured.
ITA 19.3	The Applicant is required to include with its Application, evidence that it will be represented by an Agent in Palau.
ITA 20.1	The Application validity period shall be 5 years.
ITA 22.1	One electronic copy, i.e. one password-protected PDF file with Technical Application and one password-protected PDF file with Price Application.
ITA 22.2	<p>The written confirmation of Authorization to sign on behalf of the Applicant shall consist of: an organisational document, board resolution or its equivalent, or power of attorney specifying the representative's authority to sign the Application on behalf of, and to legally bind, the Applicant.</p> <p>If the Applicant is an intended or an existing Joint Venture, the power of attorney should be signed by all partners and specify the authority of the named representative of the Joint Venture to sign on behalf of, and legally bind, the intended or existing Joint Venture. If the Joint Venture has not yet been formed, also include evidence from all proposed Joint Venture partners of their intent to enter into a Joint Venture in the event of a contract award.</p>
ITA 22.2	The Applicant shall submit an acceptable authorization within 3 days.
D. Submission and Opening of Bids	
ITA 23.1	Applicants shall submit their Applications electronically.
ITA 23.1 (b)	<p>Electronic bidding submission procedures shall be:</p> <p>1) Applicants will upload their Application as two PDF files (Technical Application and Priced Application) with two separate passwords to the Dropbox link. The</p>

	<p>Applicants shall email Ms. Johanny Kurihara at j.kurihara@ppuc.com to request the Dropbox link for submission.</p> <p>2) PPUC will confirm receipt of each Application.</p> <p>3) Within one hour after the Application submission deadline Applicants must send the password of their password protected Technical Application ONLY to j.kurihara@ppuc.com. Passwords for the Priced Applications will only be requested from the Applicants who are considered for financial evaluation after the technical evaluation is completed.</p> <p>4) Only Applications which are time stamped as being received by the server before the deadline for Application submission shall be considered. PPUC takes no responsibility for files that are not received on time, incompatible due to file type, files that are delivered incomplete or corrupt or passwords not working.</p> <p>5) If Applications are not password-protected, such Applications will not be rejected and will be opened and evaluated; however PPUC assumes no responsibility for the premature opening of such Applications.</p>
ITA 23.2 (c)	The identification of this prequalification process is: _____
ITA 24.1	For Application submission purposes only, the Applicants shall email Ms Johanny Kurihara at j.kurihara@ppuccom to request the dropbox link for submission.
ITA 24.1	<p>The deadline for Application submission is:</p> <p>Date: February 17, 2025 _____</p> <p>Time: 4:00pm Palau Time _____</p>
ITA 27.1	<p>The Technical Application opening shall take place electronically at:</p> <p>Date: TBA _____</p> <p>Time: TBA _____</p> <p>Virtual connection link: TBA _____</p>
ITA 27.1	<p>The electronic Application opening procedure shall be as follows: The electronic Application opening procedures shall be:</p> <p>1) Applications cannot be opened before the time of Application submission and opening.</p> <p>2) Within one hour after the Application submission deadline Applicants must send the password of their password protected Technical Applications to j.kurihara@ppuc.com</p> <p>3) Original documents may be requested as part of the evaluation process and will be verified by PPUC before the signing of the contract.</p> <p>4) Minutes of Technical Application opening shall be shared with all Applicants by email.</p>

E. Evaluation and Comparison of Applications	
ITA 34.2	The qualifications of other firms such as the Applicant's subsidiaries, parent entities, or affiliates shall not be permitted.
ITA 37.1	not applicable as the Applicants are required to Application in USD which will also be the currency of the resultant contract.
ITA 38.1	Domestic preference does not apply.
ITA 42.1	<p>Standstill provisions shall apply. The duration of standstill period will be 14 days from the date of notice of intention for award of contract.</p> <p>PPUC shall, at the start of the standstill period, notify in writing each Applicant that submitted a Application, of its intention to prequalify the successful Applicants at the end of standstill period. The notification using the form included in Section 9 (Contract Forms) shall include the following information:</p> <ul style="list-style-type: none"> (a) the name of each Applicant who submitted a Application; (b) the Application prices as read out at Application opening; (c) the name and evaluated prices of each Application that was evaluated; (d) the name of Applicants whose Applications were rejected and the reasons for their rejection; (e) the name of the prequalified Applicants; and (f) a statement of the reason(s) the Application of the unsuccessful Applicant to whom the notification is addressed was unsuccessful, unless the price information under (e) of this paragraph already reveals the reason.
F. Award of Contract	
ITA 43.1	PPUC shall prequalify up to three (3) Applicants whose offers have been determined to be the lowest evaluated Applications and are substantially responsive to the Prequalification document, and qualified to perform the Contract satisfactorily.
ITA 45.1	Standstill Period is not applicable to this prequalification process.

Section 3: Evaluation and Qualification Criteria

The evaluation process is intended as follows:

1. Technical Applications would be evaluated using minimum mandatory qualification and technical requirements (assessed on pass/fail basis) specified in sections 1 and 2 below.
2. The next step will include merit point criteria to assess nonprice attributes of Applications. If minimum technical score of 70 points with no less than 65% for any of the criteria is achieved, only then would the price Application be opened and evaluated.
3. Economic Evaluation
4. The total score would be calculated by combining the technical and price scores, using the indicated formula and technical-price ratio.
5. The Applications with the top three highest combined Technical and Price Score will be prequalify for future contracting by the Non-residential Borrowers.

STEP 1: mandatory technical and qualification criteria

1.1 Compliance to Technical Specifications

The proposed equipment and related services will be evaluated against the Technical Specifications of Section 6 of the prequalification document on a pass/ fail basis. The Applications not meeting the Technical Specifications will be rejected.

The Applicant shall provide the detailed descriptions of the proposed equipment and services to demonstrate compliance. The technical specifications, and technical data sheets relating to each component should be provided, stating the brand name, model/type, quantities along with the technical literatures of goods as required. It shall be understood that all goods must be supplied with all essential accessories and components to ensure a full working system.

1.2 Qualification Criteria

Applicant's qualifications will be evaluated on a 'Pass' or 'Fail' basis against the below criteria. The Applications not meeting the Technical Specifications will be rejected.

1.2.1 Eligibility

Criteria	Compliance Requirements			Documents	
Requirement	Single Entity	Joint Venture			Submission Requirements
		All Partners Combined	Each Partner	One Partner	

1.2.2 Nationality

Nationality in accordance with ITA 4.2.	Must meet requirement	Must meet requirement	Must meet requirement	Not applicable	Technical Application Submission Sheet;
---	-----------------------	-----------------------	-----------------------	----------------	---

					Forms ELI – 1 and ELI - 2
--	--	--	--	--	---------------------------

1.2.3 Conflict of Interest

No conflicts of interest in accordance with ITA 4.3.	Must meet requirement	Must meet requirement	Must meet requirement	Not applicable	Technical Application Submission Sheet
--	-----------------------	-----------------------	-----------------------	----------------	--

1.2.4 ADB Eligibility

Not having been declared ineligible by ADB, as described in ITA 4.4.	Must meet requirement	Must meet requirement	Must meet requirement	Not applicable	Technical Application Submission Sheet
--	-----------------------	-----------------------	-----------------------	----------------	--

1.2.5 Government-Owned Enterprise

Application Applicant required to meet conditions of ITA 4.5.	Must meet requirement	Must meet requirement	Must meet requirement	Not applicable	Technical Application Submission Sheet; Forms ELI – 1 and ELI - 2
---	-----------------------	-----------------------	-----------------------	----------------	---

1.2.6 United Nations Eligibility

Not having been excluded by an act of compliance with a United Nations Security Council resolution in accordance with ITA 4.8.	Must meet requirement	Must meet requirement	Must meet requirement	Not applicable	Technical Application Submission Sheet
--	-----------------------	-----------------------	-----------------------	----------------	--

1.3 Experience and Technical Capacity

1.3.1 Contractual Experience

Criteria	Compliance Requirements			Documents	
Requirement	Single Entity	Joint Venture			Submission Requirements
		All Partners Combined	Each Partner	One Partner	
Supply: Successful completion as main supplier within the last 7 years, of at least two contracts valued at USD\$1 million with nature, and complexity similar to the scope of supply described in Section 6 (Schedule of Supply). Similarity is defined as:	Must meet requirement	Must meet requirement	Not applicable	Not applicable	Form EXP – 1 ^a

Criteria	Compliance Requirements			Documents	
Requirement	Single Entity	Joint Venture			Submission Requirements
		All Partners Combined	Each Partner	One Partner	
1) PV systems for the Non-residential Borrowers ; and 2) Contract shall include component of overseas sales and shipping in the remote islands					
Installation: Successful completion as PV installer within the last 7 years, of at least one contract valued at USD\$200,000 with nature, and complexity similar to the scope of supply described in Section 6 (Schedule of Supply). If installation works will be sub-contracted, then the proposed subcontractor shall be the one to demonstrate and meet this requirement.	Must meet requirement	Must meet requirement	Not applicable	Not applicable	Form EXP – 1 ^a
Maintenance: Successful completion or ongoing contract of solar PV maintenance within the last 7 years, of at least 2 contracts valued at USD\$0.3 million with nature, and complexity similar to the scope of maintenance described in Section 6 (put relevant section name). Such contracts can be a part of larger contracts for introducing solar PV, in which case a component on maintenance works should meet the requirements above. If maintenance works will be sub-contracted, then the proposed subcontractor shall be the one to demonstrate and meet this requirement.	Must meet requirement	Must meet requirement	Not applicable	Not applicable	Form EXP – 1 ^a

^a In addition to the submission of Form EXP-1, the Applicant shall provide the Signed Contract Agreement.

1.4 Financial Situation

1.4.1 Historical Financial Performance

Criteria	Compliance Requirements			Documents	
Requirement	Single Entity	Joint Venture			Submission Requirements
		All Partners Combined	Each Partner	One Partner	
Submission of audited financial statements or, if not required by the law of the Applicant's country, other financial statements acceptable to PPUC, for the last three years to demonstrate the current soundness of the Applicant's financial position. As a minimum, the Applicant's net worth for the last year calculated as the difference between total assets and total liabilities should be positive.	Must meet requirement	Not applicable	Must meet requirement	Not applicable	Form FIN – 1

1.4.2 Size of Operation (Average Annual Turnover):

Criteria	Compliance Requirements			Documents	
Requirement	Single Entity	Joint Venture			Submission Requirements
		All Partners Combined	Each Partner	One Partner	
Minimum average annual turnover of \$ USD 1 million calculated as total payments received by the Applicant for contracts completed or under execution over the last five years.	Must meet requirement	Must meet requirement	Must meet requirement	Not applicable	Form FIN – 2

Only Applications that pass technical compliance and qualification requirements will be considered for STEP 2.

1.5 Attestation

The Applicant shall submit with its Application the Attestation Letter using the form included in Section 4: Application Forms to demonstrate that works, goods and services, and related materials and products to be used for the solar PV systems for the Non-residential Borrowers in Palau do not involve production or activities involving forced labor and/or child labor.

Failure to submit the Attestation Letter is deemed to be a material deviation and will result in rejection of the Application.

STEP 2: Merit Point Criteria and Weightings

The technical score (St) will be calculated using the technical evaluation criteria and their respective weights given in the below table:

Criteria	Maximum Weight	Rating (0 to 100%)	Score
	(A)	(B)	(C = A x B)
1. Project Management	40	90	36
a. Implementation Methodology - Supply	10		
b. Implementation Methodology - Install	10		
c. Implementation Methodology - Maintenance	10		
d. Work Plan	10		
2. Quality and safety plan: ISO and/or other certifications	10		
a. Quality of the health and safety plan (HSP)	5		
b. Evidence of adequate certification	5		
3. Technical Team	10		
a. Project and equipment quality management	5		
b. Installation and maintenance management	5		
4. Sustainability and technology innovation	30		
a. Commitment to local labor and other sustainability requirements of the Specifications	15		
b. Commitment to technology innovation	15		
5. End-user training approach and methodology	10		
Total Points	100		
Total Technical Score			

The Applicant's technical proposal will be assessed as a whole and therefore, each document needs to be consistent and illustrate a common approach toward the project delivery.

1. Project Management (40 points):

In line with the technical scoring and ranking system described above, the Project Management section of the technical proposal will be scored in terms of the implementation methodology for supply, install and maintenance as well as work plan. Applicants need to explain how they plan to organize the supply of the equipment, including logistics and storage and how they plan to conduct installation in line with the specifications of the prequalification document. Special consideration shall be given to the end-user engagement and provision of maintenance services as well as anticipated constraints and mitigation measures. The proposal shall also include information about the maintenance service organization and installation and maintenance technicians.

2. Quality and safety: ISO and/or other certifications (10 points)

The technical proposal will be scored in terms of the quality of the health and safety plan (HSP) proposed by the Applicant. The HSP needs to show how the Applicant will ensure that health and safety

issues at each site where installations will be made will be properly considered and addressed so that any risk, direct or indirect, is mitigated, reduced or eliminated. Applicant should also cite the availability of in-house policies and procedures acceptable to the Employer for environmental, health and safety (EHS) management, such as existence of (i) an ethics charter, (ii) a system for monitoring compliance with EHS commitments & relevant trainings for its local staff, subcontractors and all its partners; (iii) official company procedures for the management of the EHS resources and facilities, (iv) others existing. The Applicant is required to inform and provide details of which international level health and safety management system they are certified to and the certification body. Evidence of having relevant and adequate health and safety management certification will be scored under this criterion.

3. Technical Team (10 points)

The Applicant shall provide the proposed division of responsibilities and CVs for the key personnel proposed to cover roles of overall project management, equipment quality management and responsibility for all installation works and maintenance services provided in Palau.

“Key Personnel” means members of the Applicants’s professional staff whose skills, qualifications, knowledge and experience are considered by PPUC to be critical to the performance of the Contract and whose curriculum vitae (CV) is taken into account in the technical evaluation of the Applicant’s technical proposal.

If any of the Key Personnel become unavailable during the Application validity period (or any extension thereof), the Applicant shall provide a written adequate justification and evidence satisfactory to the Employer together with the substitution request. In this case, a replacement Key Personnel shall have equal or better qualifications and experience than those of the originally proposed Key Personnel.

If the Applicant shall fail to provide a CV with its technical proposal for any specified key expert position, the omitted key expert position shall be given 0 (zero) score during technical evaluation. In the event that the Applicant is determined to be the first ranked Applicant, the Applicant will be required to propose a suitable person to the satisfaction of PPUC prior to signing of Contract Agreement.

Separate assessment will be made of each of the key personnel. Each key expert is to be evaluated against the tasks assigned in accordance with the following main criteria:

- Key Personnel – Qualifications

General qualifications such as academic and/or professional qualifications, membership in professional associations, and the number of years of working related experience.

- Key Personnel – Experience

Project-related experience based on the number of relevant projects implemented. The evaluation will identify and differentiate the relevance of each project or experience presented in the CV. Experience shall be evaluated against past projects similar to the proposed contract.

The requirements for **Key Experts** are listed in the table below.

Position	General Qualifications	Experience	Maximum score
Project and Equipment Quality Manager	30%	70%	5
Installation Works and Maintenance Services Manager	30%	70%	5
TOTAL			10

4. Sustainability and technology innovation (30 points)

Technical proposals will be assessed and scored for the Applicant’s commitment to sustainability,

including local labor, as well as to technology innovation. Applicants shall convincingly explain the effective involvement of local labor for the tasks of installation and maintenance throughout the contract. The Applicant should explain in adequate detail the training and certification plan that will offer to local experts and staff to carry out installation, maintenance, support and administration services as established in the Technical Specifications.

As for demonstrating the advancement and commitment to technology innovation of the proposal, the Applicant shall explain in detail those aspects of technology innovation offered in the proposal. Those aspects include (illustrative list, non-exhaustive):

- Solar panels: Design characteristics that prevent light pollution.
- Inverters: Advanced ramp rate control aspects, grid forming aspects.
- Batteries: Design characteristics and services to facilitate the required storing, recycling and final disposal (outside Palau) of the batteries supplied under the contract.
- General: Methods and planning for successful recording, handling and submission to PPUC of the annual data needed for the required CO2 emission report.

5. End-user training approach and methodology (10 points)

The technical proposal will be scored in terms of the quality of the end-user training plan/schedule proposed by the Applicant. The Applicant shall provide detailed scope and information of training agenda, plans and proposed schedule. The training plan also includes the schedules of testing and inspection of equipment/goods, and service/maintenance and troubleshooting training.

The Applicant's technical proposal shall be scored in accordance the following narrative criteria:

- **80-100% (Excellent).** Significantly exceeds the requirements. Exceptional demonstration by the Applicant showing it has the relevant experience, ability, understanding, skills, and resources required to properly deliver the Project on time. Response identifies factors that could offer potential added value. Excellent supporting evidence provided.
- **70-79% (Good).** Marginally exceeds the requirements. Above-average demonstration by the Applicant showing that it has the relevant experience, ability, understanding, skills, and resources required to deliver the Project on time. Good supporting evidence provided.
- **50-69% (Acceptable).** Satisfies the requirements. The Applicant has demonstrated that it has the relevant experience, ability, understanding, skills, and resources required to deliver the Project on time. Sufficient supporting evidence provided.
- **20-49% (Some reservations).** The submission does not fully meet the requirements, and the Applicant has not sufficiently demonstrated that it has the relevant experience, ability, understanding, skills, and resources necessary to deliver the Project on time. Insufficient supporting evidence provided.
- **1-19% (Serious reservations).** Significantly below the requirements. There are major reservations concerning the Applicant's relevant experience, ability, understanding, skills, and resources required to properly deliver the Project on time. Little supporting evidence provided.
- **0% (Unacceptable).** Feature is absent. Does not comply and/or provides scarce

information to demonstrate that the Applicant has the ability, understanding, experience, skills, and resources required to deliver the Project on time.

A Technical Application that with a Total Technical Score of below **70** or with less than 65% for any of the criteria will be rejected as nonresponsive.

Price Applications of Applicants whose Technical Applications passed the minimum technical score will be opened and further evaluated in STEPs 3 and 4 below.

STEP 3: Economic Evaluation

3.1 Adjustment for Deviations from the Terms of Payment

Deviations from the Terms of Payment as specified in SCC 16.1 are not permitted.

3.2 Adjustment for Deviations in the Delivery and Completion Schedule

Deviations from the Delivery and Completion Schedule specified in Section 6 (Schedule of Supply) are not permitted.

3.3 Operation and Maintenance (O&M) Costs: Not applicable

3.4 Spare Parts: Not applicable

3.5 Performance and Productivity of the Goods: Not applicable

3.6 Multiple Lots (Contracts) : Not applicable

3.7 Domestic Preference: Not applicable

3.8 Financial Score

Methodology for calculating the financial score (Sf) is provided below:

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.

STEP 4: Combined Evaluation

The Applications will be ranked according to their combined technical (St) and financial (Sf) scores using weights.

Wt is the weight given to the Technical Application and equals 0.4; Wf is the weight given to the Price Application and equals 0.6; ($Wt + Wf = 1$).

The total score (S) will be determined as: $S = (St \times 0.4) + (Sf \times 0.6)$

The Applicants achieving the three highest total score (S) will be determined as the most advantageous and substantially responsive and recommended for shortlisting.

Section 4: Application Submission Forms

Table of Forms

Technical Application Submission Sheet	4-39
Country of Origin Declaration Form	4-6
Price Application Submission Sheet	4-7
Price Schedule for Goods to Be Offered from Within the Purchaser's Country	4-9
Price Schedule for Goods to Be Offered from Outside the Purchaser's Country	4-10
Price Schedule for Related Services to Be Offered from Outside and Within the Purchaser's Country	4-11
Manufacturer's Authorization	4-14
ApplicationApplicant's Qualification	4-16
Form ELI – 1: Applicant's Information Sheet	4-17
Form ELI - 2: Joint Venture Information Sheet	4-18
Form CON - 1: Historical Contract Nonperformance	4-19
Form EXP - 1: Contractual Experience	4-20
Form EXP - 2: Technical Experience	4-21
Form EXP - 3: Production Capacity	4-22
Form FIN - 1: Historical Financial Performance	4-23
Form FIN - 2: Size of Operation (Average Annual Turnover)	4-24
Form FIN - 3: Cash Flow Capacity	4-25
Attestation Letter (Forced/ Child Labour)	

Technical Application Submission Sheet

- Note -

The Applicant must accomplish the Technical Application Submission Sheet on its letterhead clearly showing the Applicant's complete name and address.

Date: _____

Invitation for Prequalification (IFP) No.: _____

To: Palau Public Utilities Corporation

We, the undersigned, declare that:

- (a) We have examined and have no reservations to the Prequalification document, including the Addenda issued in accordance with Instructions to Applicants (ITA) 8.
- (b) We acknowledge that we have read and understand ADB's Anticorruption Policy (1998) and Integrity Principles and Guidelines (2015), both as amended from time to time.
- (c) We offer to supply in conformity with the Prequalification document and in accordance with the delivery schedule specified in Section 6 (Schedule of Supply), the following Goods and Related Services: *[insert a brief description of the goods and related services]*
- (d) Our Application consisting of the Technical Application and the Price Application shall be valid for a period of *[insert validity period as specified in ITA 20.1 of the ADS]* days starts from the date fixed for the Application submission deadline in accordance with ITA 24.1, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.
- (e) Our firm, including any Subcontractors or suppliers for any part of the Contract, have nationalities from eligible countries in accordance with ITA 4.2.
- (f) We, our directors, key officers, key personnel, including any Subcontractors, consultants, subconsultants, manufacturers, service providers or suppliers for any part of the contract, do not have any conflict of interest in accordance with ITA 4.3.

If there is any conflict of interest, please state details:

(i) Parties involved in the conflict of interest: _____

(ii) Details about the conflict of interest: _____

- (g) We are not participating, as a Applicant, either individually or as partner in a Joint Venture, in more than one Application in this prequalification process in accordance with ITA 4.3(e), other than alternative offers in accordance with the Prequalification document.
- (h) Our firm, Joint Venture partners, our respective direct and indirect shareholders, directors, key officers, key personnel, associates, parent company, affiliates or subsidiaries, including any Subcontractors, consultants, subconsultants, manufacturers, service providers or Suppliers for any part of the contract, are not subject to, or not controlled by any entity or individual that is subject to, a temporary suspension or a debarment imposed by the Asian Development Bank or a debarment imposed by the Asian Development Bank in accordance with the Agreement for Mutual Enforcement of Debarment Decisions between the Asian Development Bank and other development banks.²
- (i) Our firm, Joint Venture partners, our respective direct and indirect shareholders, directors, key officers, key personnel, associates, parent company, affiliates or subsidiaries, including any Subcontractors, consultants, subconsultants, manufacturers, service providers or Suppliers for any part of the contract, are not under ongoing investigation and/or sanctions proceedings by the Asian Development Bank or any multilateral development bank.

If under ongoing investigation and/or sanction proceedings by the Asian Development Bank or any multilateral development bank, please state details:

- (i) Name of the multilateral development bank: _____
- (ii) Reason for the ongoing investigation / allegations: _____

- (j) Our firm, Joint Venture partners, our respective direct and indirect shareholders, directors, key officers, key personnel, associates, parent company, affiliates or subsidiaries, including any Subcontractors, consultants, subconsultants, manufacturers, service providers or Suppliers for any part of the Contract, are not temporarily suspended, debarred, declared ineligible, or subject to any national and/or international sanctions by any country, any international organization, any multilateral development bank and other donor agency.

If so temporarily suspended, debarred, declared ineligible, or subject to any national and/or international sanctions by any country, any international organization, any multilateral development bank and other donor agency, please state details (as applicable to each Joint Venture partner, their respective direct or indirect shareholders, directors, key officers, key personnel, associate, parent company, affiliate, subsidiaries, Subcontractors, consultants, subconsultants, manufacturers, service providers and/or Suppliers):

- (i) Name of Institution: _____
- (ii) Period of the temporary suspension, debarment, ineligibility, or national or international sanction [start and end date]: _____
- (iii) Reason for the temporary suspension, debarment, ineligibility, or national or international sanction: _____

²These institutions include African Development Bank, European Bank for Reconstruction and Development (EBRD), Inter-American Development Bank (IADB), and the World Bank Group. According to paragraph 9 of the Agreement, other international financial institutions may join upon the consent of all Participating Institutions and signature of a Letter of Adherence by the international financial institution substantially in the form provided (Annex B to the Agreement). Upon adherence, such international financial institution shall become a Participating Institution for purposes of the Agreement. Applicants are advised to check www.adb.org/integrity for updates.

- (k) Our firm, Joint Venture partners, associates, parent company, affiliates or subsidiaries, including any Subcontractors consultants, subconsultants, manufacturers, service providers, Suppliers, key officers, directors and key personnel have never been charged or convicted with any criminal offense (including felonies but excluding misdemeanors) or infractions and/or violations of ordinance; nor charged or found liable in any civil or administrative proceedings in the last 10 years; or undergoing investigation for such, or subject to any criminal, civil or administrative orders, monitorship or enforcement actions.

If so charged, convicted/found liable, under ongoing investigation, or subject to orders, monitorship or enforcement actions, please state details:

- (i) Nature of the offense, violation, proceedings, investigation, and/or monitorship or enforcement actions: _____
- (ii) Court, area of jurisdiction and/or the enforcement agency: _____
- (iii) Resolution [i.e. dismissed; settled; or convicted/duration of penalty]: _____
- (iv) Other relevant details [please specify]: _____

- (l) Our firm, Joint Venture partners, our respective direct and indirect shareholders, directors, key officers, key personnel, associates, affiliates or subsidiaries, including any Subcontractors, consultants, subconsultants, manufacturers, service providers or Suppliers, can make and receive electronic fund transfer payments through the international banking system or otherwise discharge PPUC's obligation upon initiation of wire transfer.

If unable to make or receive funds through the international banking system or otherwise discharge PPUC's obligation upon initiation of wire transfer, please state the details:

- (i) Nature of the restriction: _____
- (ii) Jurisdiction of the restriction: _____
- (iii) Other relevant details: _____

- (m) Our firm, Joint Venture partners, associates, parent company, affiliates or subsidiaries, including any Subcontractors, consultants, subconsultants, manufacturers, service providers or Suppliers, key officers, directors and key personnel are not from a country which is prohibited to export goods or services to, or receive any payments from Palau and/or are not prohibited to receive payments for particular goods or services by Palau by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations.

- (n) We have paid, or will pay the following commissions, gratuities, or fees with respect to the prequalification process or execution of the Contract.³

Name of Recipient	Address	Reason	Amount
.....
.....

³ If none has been paid or is to be paid, indicate "None".

- (o) We understand that it is our obligation to notify PPUC of any changes in connection with the matters described in paragraphs (f), (h), (i), (j), (k), (l), (m) and (n) of this Technical Bid Submission Sheet.
- (p) [We are not a government-owned enterprise] / [We are a government-owned enterprise but meet the requirements of ITA 4.5].⁴
- (q) We have not been suspended nor declared ineligible by PPUC based on execution of a Bid-Securing Declaration in accordance with ITA 4.6.
- (r) At any time following submission of our Application, we shall permit, and shall cause our Joint Venture partners, directors, key officers, key personnel, associates, parent company, affiliates or subsidiaries, including any Subcontractors, consultants, subconsultants, manufacturers, service providers or Suppliers for any part of the contract to permit ADB or its representative to inspect our site, assets, accounts and records and other documents relating to the Application submission and to have them audited by auditors appointed by ADB. We understand that failure of this obligation may constitute obstructive practice that may result in debarment and/or contract termination.
- (s) Regardless of whether the contract will be awarded to us, we shall preserve all accounts, records and other documents related to Application submission for at least 3 years from the date of submission of the Application or the period prescribed in applicable law, whichever is longer.
- (t) If we are awarded the contract, we shall preserve all accounts, records and other documents related to the procurement and execution of the contract for at least 5 years after completing the works contemplated in the relevant contracts or the period prescribed in applicable law, whichever is longer.
- (u) We certify on behalf of the Applicant, that the information provided in the Application has been fully reviewed, given in good faith, and to the best of our knowledge is true and complete. We understand that it is our obligation to inform PPUC of any changes to the information as and when it becomes known to us. We understand that any misrepresentation that knowingly or recklessly misleads or attempts to mislead may lead to the automatic rejection of the Application or cancellation of the contract, if awarded, and may result in remedial actions, in accordance with ADB's Anticorruption Policy (1998, as amended to date) and Integrity Principles and Guidelines (2017, as amended from time to time).

Name _____

In the capacity of _____

Signed _____

Duly authorized to sign the Application for and on behalf of _____

Date _____

⁴ Use one of the two options as appropriate.

Country of Origin Declaration Form

Name of Applicant _____ IFP Number _____ Page ___ of ___

Item	Description	Country of Origin

Price Application Submission Sheet

-- Note --

The Applicant must accomplish the Price Application Submission Sheet on its letterhead clearly showing the Applicant's complete name and address.

Date: _____

Invitation for Prequalification (IFP) No.: _____

To: Palau Public Utilities Corporation

We, the undersigned, declare that:

- (a) We have examined and have no reservations to the Prequalification document, including the Addenda issued in accordance with Instructions to Applicants (ITA) 8.
- (b) We acknowledge that we have read and understand ADB's Anticorruption Policy (1998) and Integrity Principles and Guidelines (2015), both as amended from time to time.
- (c) We offer to supply in conformity with the Prequalification document and in accordance with the delivery schedule specified in Section 6 (Schedule of Supply), the following Goods and Related Services: *[insert a brief description of the goods and related services]*
- (d) The total price of our Application, excluding any discounts offered in item (d) below, is

[amount of foreign currency in words], [amount in figures], and [amount of local currency in words], [amount in figures]

The total bid price from the price schedules should be entered by the Applicant inside this box. Absence of

- (e) The discounts offered and the methodology for their application are as follows:

Discounts: If our Application is accepted, the following discounts shall apply: *[specify in detail each discount offered and the specific item of the Schedule of Supply to which it applies]*

Methodology of Application of the Discounts: The discounts shall be applied using the following method: *[specify in detail the method that shall be used to apply the discounts]*

- (f) Our Application shall be valid for a period of *[insert validity period as specified in ITA 20.1 of the ADS]* days starts from the date fixed for the submission deadline in accordance with ITA 24.1, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.
- (g) If our Application is accepted, we commit to obtain a Performance Security for any resultant contract.

- (h) We understand that this Application, together with your written acceptance thereof included in your notification of award, shall constitute a binding contract between us, until a formal Contract is prepared and executed.
- (i) We understand that you are not bound to accept the lowest evaluated Application or any other Application that you may receive.
- (j) At any time following submission of our Application, we shall permit, and shall cause our Joint Venture partners, directors, key officers, key personnel, associates, parent company, affiliates or subsidiaries, including any Subcontractors, consultants, subconsultants, manufacturers, service providers or Suppliers for any part of the contract to permit ADB or its representative to inspect our site, assets, accounts and records and other documents relating to the Application submission and to have them audited by auditors appointed by ADB. We understand that failure of this obligation may constitute obstructive practice that may result in debarment and/or contract termination.
- (k) Regardless of whether the contract will be awarded to us, we shall preserve all accounts, records and other documents related to Application submission for at least 3 years from the date of submission of the Application or the period prescribed in applicable law, whichever is longer.
- (l) If we are awarded the contract, we shall preserve all accounts, records and other documents related to the procurement and execution of the contract for at least 5 years after completing the works contemplated in the relevant contracts or the period prescribed in applicable law, whichever is longer.
- (m) We confirm and stand by our commitments and other declarations made in connection with the submission of our Technical Application Submission Sheet.
- (n) We certify on behalf of the Applicant, that the information provided in the Application has been fully reviewed, given in good faith, and to the best of our knowledge is true and complete. We understand that it is our obligation to inform PPUC of any changes to the information as and when it becomes known to us. We understand that any misrepresentation that knowingly or recklessly misleads or attempts to mislead may lead to the automatic rejection of the Application or cancellation of the contract, if awarded; and may result in remedial actions, in accordance with ADB's Anticorruption Policy (1998, as amended to date) and Integrity Principles and Guidelines (2015, as amended from time to time).

Name _____

In the capacity of _____

Signed _____

Duly authorized to sign the Application for and on behalf of _____

Date _____

Price Schedule for Goods to Be Offered from Outside Palau

Name of Applicant _____ IFP Number _____ Page ____ of ____

Item	Description	Country of Origin	Quantity (<i>indicative, for evaluation purposes only</i>) and Unit of Measurement	Unit Price ⁵ DDP Place of Installation, USD	Total Price ⁶ DDP Place of Installation, USD
1	2	3	4	5	6 = 4 x 5
1. Photovoltaic panels					
1.1	Module 1: 5 kWp		150 Each		
1.2	Module 2: 15 kWp		30 Each		
1.3	Module 3: 50 kWp		25 Each		
2. inverters					
2.1	Module 1: 5,000 W		150 Each		
2.2	Module 2: 15,000 W		30 Each		
2.3	Module 3: 50,000 W		25 Each		
3. Battery storage					
3.1	Module 2:		30 Each		
	Option 1 = 3,750 Wh				
	Option 2 = 15,000 Wh				
3.2	Module 3:		25 Each		
	Option 1 = 12,500 Wh				
	Option 2 = 50,000 Wh				
Total Amount					

--	--

Name _____

In the capacity of _____

Signed _____

Duly authorized to sign the Application for and on behalf of _____

Date _____

⁵ Inclusive of supply, warranty, installation and end-user training; fixed for the duration of the contract
⁶ Inclusive of supply, warranty, installation and end-user training

Price Schedule for Related Services

Name of Applicant _____ IFP Number _____ Page ___ of ___

Item No.	Description	Unit Price per 1 panel	
		USD	
1	2	3	
1	Equipment maintenance		
Total Amount			

Name _____

In the capacity of _____

Signed _____

Duly authorized to sign the Application for and on behalf of _____

Date _____

Manufacturer's Authorization

Date: *[insert date (as day, month, and year) of Application submission]*

ITP No.: *[insert number of prequalification process]*

To: Palau Public Utilities Corporation

WHEREAS

We *[insert complete name of the manufacturer]*, who are official manufacturers of *[insert type of goods manufactured]*, having factories at *[insert full address of manufacturer's factories]*, do hereby authorize *[insert complete name of the Applicant]* to submit an Application the purpose of which is to provide the following goods, manufactured by us *[insert name and/or brief description of the goods]*, and to subsequently negotiate and sign the Contract.

We hereby extend our full guarantee and warranty in accordance with Clause 28 of the General Conditions, with respect to the goods offered by the above firm.

Signed: *[insert signature(s) of authorized representative(s) of the manufacturer]*

Name: *[insert complete name(s) of authorized representative(s) of the manufacturer]*

Title: *[insert title]*

Duly authorized to sign this Authorization on behalf of *[insert complete name of the manufacturer]*

Dated on _____ day of _____, _____ *[insert date of signing]*

-- Note --

All italicized text is for use in preparing this form and shall be deleted from the final document.

The Applicant shall require the manufacturer to fill out this form in accordance with the instructions indicated. This letter of authorization should be signed by a person with the proper authority to sign documents that are binding on the manufacturer. The Applicant shall include it in its Application, if so indicated in the Application Data Sheet (ADS).

Applicant's Qualification

To establish its qualifications to perform the contract in accordance with Section 3 (Evaluation and Qualification Criteria), the Applicant shall provide the following information requested in the corresponding Information Sheets.

Form ELI - 1: Applicant Information Sheet

Applicant Information			
		Information of the Applicant	If the Applicant is a subsidiary or branch, information of any parent company/companies
Names	Full legal name(s)		
	Full trading name(s) (if any)		
Addresses	Registered address(es)		
	Trading address(es)		
	Postal address(es) (if different from trading address)		
Type of organization			
Country of constitution/incorporation/registration			
Year of constitution/incorporation/registration			
Corporate or registration number			
In case of a Joint Venture, legal name of each partner			
Applicant's authorized representative <small>(name, address, telephone number(s), fax number(s) and e-mail address)</small>			
<p>Attached are copies of the following documents:</p> <ol style="list-style-type: none"> 1. In case of a single entity, articles of incorporation or constitution and company incorporation/registration of the legal entity named above, in accordance with ITA 4.1 and ITA 4.2 2. Authorization to represent the firm or Joint Venture named above, in accordance with ITA 22.2 3. In case of a Joint Venture, a letter of intent to form a Joint Venture or Joint Venture agreement, in accordance with ITA 4.1 4. In case of a government-owned enterprise, any additional documents not covered under 1 above required to comply with ITA 4.5 			

Form ELI - 2: Joint Venture Information Sheet

Each member of the Joint Venture must fill out this form separately.

Joint Venture Information		
Applicant's legal name		
		Information of Joint Venture Partner
		If any Joint Venture Partner is a subsidiary or branch, information of any parent company/companies
Names	Joint Venture Partner's legal name	
	Full trading name(s) (if any)	
Addresses	Registered address(es)	
	Trading address(es)	
	Postal address(es) (if different from trading address)	
Type of organization		
Country of constitution/incorporation/registration		
Year of constitution/incorporation/registration		
Corporate or registration number		
Joint Venture Partner's authorized representative information (name, address, telephone number(s), fax number(s) and e-mail address)		
<p>Attached are copies of the following documents:</p> <ol style="list-style-type: none"> 1. Articles of incorporation or constitution and company incorporation/registration of the legal entity named above, in accordance with ITA 4.1 and ITA 4.2 2. Authorization to represent the firm named above, in accordance with ITA 22.2 3. In the case of a government-owned enterprise, documents establishing legal and financial autonomy and compliance with commercial law, in accordance with ITA 4.5 		

Form CON – 1: Historical Contract Nonperformance

For Contract type B, each Applicant must fill out this form in accordance with Criteria 2.2.1 and 2.2.3 of Section 3 (Evaluation and Qualification Criteria) to describe any history of nonperforming contracts and pending litigation or arbitration formally commenced against it.

In case of a Joint Venture, each Joint Venture Partner must fill out this form separately and provide the Joint Venture Partner's name:

Joint Venture Partner: _____

Table 1: History of Nonperforming Contracts			
<p>Choose one of the following:</p> <p><input type="checkbox"/> No nonperforming contracts.</p> <p><input type="checkbox"/> Below is a description of nonperforming contracts involving the Applicant (or each Joint Venture partner if Applicant is a Joint Venture).</p>			
Year	Description	Amount of Nonperformed Portion of Contract (\$ equivalent)	Total Contract Amount (\$ equivalent)
[insert year]	<p>Contract Identification: [indicate complete contract name/ number, and any other identification]</p> <p>Name of Purchaser: [insert full name]</p> <p>Address of Purchaser: [insert street/city/country]</p> <p>Reason(s) for nonperformance: [indicate main reason(s)]</p>	[insert amount]	[insert amount]
Table 2: Pending Litigation and Arbitration			
<p>Choose one of the following:</p> <p><input type="checkbox"/> No pending litigation, arbitration or any other material events impacting the net worth and/or liquidity of the Applicant.</p> <p><input type="checkbox"/> Below is a description of all pending litigation, arbitration involving the Applicant or any other material events impacting the net worth and/or liquidity of the Applicant (or each Joint Venture partner if Applicant is a Joint Venture).</p>			
Year	Matter in Dispute	Value of Pending Claim in \$ Equivalent	Value of Pending Claim as a Percentage of Net Worth

<p><i>[insert year]</i></p>	<p>Contract Identification, as applicable: <i>[indicate complete contract name/ number, and any other identification]</i></p> <p>Name of Purchaser, parties involved in the material events impacting the net worth and/or liquidity of the Applicant: <i>[insert full name]</i></p> <p>Address of Purchaser, parties involved in the material events impacting the net worth and/or liquidity of the Applicant: <i>[insert street/city/country]</i></p> <p>Matter of Dispute: <i>[indicate full description of dispute]</i> Party who initiated the dispute: <i>[indicate "Purchaser" or "Contractor"]</i> Status: <i>[indicate status of dispute]</i></p>	<p><i>[insert amount]</i></p>	<p><i>[insert amount]</i></p>
-----------------------------	---	-------------------------------	-------------------------------

- Note -

Table 2 of this form shall only be included if Criterion 2.2.3 (Contract Type B) of Section 3 (Evaluation and Qualification Criteria) is applicable.

Form EXP - 1: Contractual Experience

Fill out one (1) form per contract. Each contract shall be supported by Signed Contract Agreement.

Contractual Experience		
Contract No of	Contract Identification	
Award Date	Completion Date	
Role in Contract	<input type="checkbox"/> Manufacturer <input type="checkbox"/> Supplier <input type="checkbox"/> Subcontractor	
Total Contract Amount	\$	
If partner in a joint venture or subcontractor, specify participation of total contract amount	Percent of Total	Amount
Purchaser's name Address Telephone/Fax Number E-mail		
Description of the Similarity in Accordance with Criteria 2.2.1 (Contract Type A) or 2.3.1 (Contract Type B) of Section 3 (Evaluation and Qualification Criteria)		

- Note -

This form shall only be included if either Criterion 2.2.1 (Contract Type A) or 2.3.1 (Contract Type B) of Section 3 (Evaluation and Qualification Criteria) is applicable.

Form EXP - 2: Technical Experience

Fill out one (1) form per contract. Each contract shall be supported by Signed Contract Agreement.

Technical Experience	
Name of Product	
Manufacturer:	Address and Nationality:
Requirements in Accordance with Criterion 2.3.2 (Contract Type B) of Section 3 (Evaluation and Qualification Criteria)	
(i) Product has been in production for at least years.	
(ii) Product (or equipment) has been sold a minimum of units of similar type and specification over the last three (3) years.	
(iii) Product has been in operation for a minimum of years.	

- Note -

This form shall only be included if Criterion 2.3.2 (Contract Type B) of Section 3 (Evaluation and Qualification Criteria) is applicable. Add pages as necessary. PPUC reserves the right to verify authenticity of Applicant submissions.

Form EXP - 3: Production Capacity

Fill out one (1) form per product and manufacturer.

Production Capacity	
Name of Product	
Manufacturer:	Address and Nationality:
Requirements in Accordance with Criterion 2.3.3 (Contract Type B) of Section 3 (Evaluation and Qualification Criteria)	
Production facility 1 (include location):	
Production facility 2 (include location):	
Production facility 3 (include location):	

- Note -

This form shall only be included if Criterion 2.3.3 (Contract Type B) of Section 3 (Evaluation and Qualification Criteria) is applicable. PPUC reserves the right to verify authenticity of Applicant submissions.

Form FIN - 1: Historical Financial Performance

Each Applicant must fill out this form.

In case of a Joint Venture, each Joint Venture Partner must fill out this form separately and provide the Joint Venture Partner's name:

Joint Venture Partner: _____

Financial Data for Previous ___ Years [\$ Equivalent]		
Year 1:	Year 2:	Year ___:

Information from Balance Sheet

Total Assets (TA)			
Total Liabilities (TL)			
Net Worth = TA-TL			
Current Assets (CA)			
Current Liabilities (CL)			
Working Capital = CA - CL			

Most Recent Working Capital		To be obtained for most recent year and carried forward to FIN - 3 Line 1; in case of Joint Ventures, to the corresponding Joint Venture Partner's FIN - 3.
------------------------------------	--	---

Information from Income Statement

Total Revenues			
Profits Before Taxes			
Profits After Taxes			

- Attached are copies of financial statements (balance sheets including all related notes, and income statements) for the last _____ years, as indicated above, complying with the following conditions:
- 1) Unless otherwise required by Section 3 of the Prequalification documents, all such documents reflect the standalone financial situation of the legal entity or entities comprising the Applicant and not the Applicant's parent companies, subsidiaries, or affiliates.
 - 2) Historical financial statements must be audited by a certified accountant.
 - 3) Historical financial statements must be complete, including all notes to the financial statements.
 - 4) Historical financial statements must correspond to accounting periods already completed and audited (no statements for partial periods shall be requested or accepted).

- Note - This form shall only be included if Criterion 2.3.1 (Contract Type A) or 2.4.1 (Contract Type B) of Section 3 (Evaluation and Qualification Criteria) is applicable.

Form FIN - 2: Size of Operation (Average Annual Turnover)

Each Applicant must fill out this form.

The information supplied should be the Annual Turnover of the Applicant or each partner of a Joint Venture for the total certified payments received from the clients for contracts in progress or completed, converted to US dollars at the rate of exchange at the end of the period reported.

In case of a Joint Venture, each Joint Venture Partner must fill out this form separately and provide the Joint Venture Partner's name:

Joint Venture Partner: _____

Annual Turnover Data for the Last Years			
Year	Amount Currency	Exchange Rate	\$ Equivalent
Average Annual Turnover			

- Note -

This form shall only be included if Criterion 2.3.2 (Contract Type A) or 2.4.2 (Contract Type B) of Section 3 (Evaluation and Qualification Criteria) is applicable.

Form FIN - 3: Cash Flow Capacity

Specify proposed sources of financing, such as working capital, liquid assets,⁷ lines of credit, and other financial resources (other than any contractual advance payments) available to meet the cash flow requirements indicated under Criterion 2.4.3 (Contract Type B) of Section 3 (Evaluation and Qualification Criteria).

Financial Resources		
No.	Source of financing	Amount (\$ equivalent)
1		
2		
3		

- Note -

This form shall only be included if Criterion 2.4.3 (Contract Type B) of Section 3 (Evaluation and Qualification Criteria) is applicable.

⁷ Liquid assets mean cash and cash equivalents, short-term financial instruments, short-term available-for-sale-securities, marketable securities, trade receivables, short-term financing receivables, and other assets that can be converted into cash within one (1) year.

Attestation Letter

Date:

To: Palau Public Utilities Corporation

We, the undersigned, acknowledge that ADB will not finance activities listed on the prohibited investment activities list, under Appendix 5 of its Safeguard Policy Statement (2009), which includes, among others, production or activities involving forced labor⁸ or child labor⁹.

After duly considering the above policy and commitment of ADB, and the obligation and commitment of the [FI] to comply with ADB's policy requirements, we have conducted due diligence on the works, goods and services, and related materials and products to be used in the solar PV systems for the Non-residential Borrowers in Palau ("Project"), and following such due diligence:

we attest and represent that (i) to the best of our knowledge, we are not using (and we have not used, and we will not use) works, goods and services, and related materials and products in the Project, where the production and supply of such products used forced labor or child labor; (ii) we adhere to labor legislation of Palau; and (iii) to the best of our knowledge, the works, goods and services, and related materials and products to be procured and/or supplied by us for the Project do not involve production or activities involving the use of forced labor or child labor;

we attest and represent that our subcontractors, manufacturers and suppliers have confirmed to us separately that to their knowledge, after due enquiry and diligence, the offered works, goods and services, and related materials and products do not involve production or activities involving the use of forced labor or child labor;

we confirm that [if the contract is awarded to us,]* (i) we shall monitor the works, goods and services, and related materials and products provided by us on an ongoing basis, (ii) require our subcontractors, suppliers or manufacturers to immediately notify to us any incidents of forced labor or child labor, and if new risks or incidents of forced labor or child labor are identified, (iii) we commit to promptly inform you, if we receive information that the representation in (a) is false and of any new risks or incidents of forced labor or child labor in the production or activities for the offered works, goods and services, and related materials and products used in the Project, and to take appropriate steps to remedy them;

we agree that a breach and misrepresentation of (a), (b), or (c) above [is a sufficient ground for Application rejection and] *may give PPUC the right to terminate the contract with us[, if our Application is accepted and the contract is awarded to us]*.

Sincerely,

Authorized Signature [In full and initials]:

Name and Title of Signatory: Address:

⁸ Forced labor means all work or services not voluntarily performed, that is, extracted from individuals under threat of force or penalty.

⁹ Child labor means the employment of children whose age is below the host country's statutory minimum age of employment or employment of children in contravention of International Labor Organization Convention No. 138 "Minimum Age Convention" (www.ilo.org).

Section 5: Eligible Countries

Applicants must have the nationality of an ADB member country listed on <https://www.adb.org/who-we-are/about>.

Section 6: Schedule of Supply

Contents

1.	List of Goods and Related Services	63
2.	Delivery and Completion Schedule	64
3.	Technical Specifications.....	65

1. List of Goods and Related Services

Item number			Brief description	Indicative Quantity*	Unit of measure
1	Photovoltaic panels	1.1	Module 1: 5 kWp	150	Each
		1.2	Module 2: 15 kWp	30	Each
		1.3	Module 3: 50 kWp	25	Each
2	Inverters	2.1	Module 1: 5,000 W	150	Each
		2.2	Module 2: 15,000 W	30	Each
		2.3	Module 3: 50,000 W	25	Each
3	Battery storage	3.1	Module 2: Option 1 = 3,750 Wh Option 2 = 15,000 Wh	30 for option 1 Or 30 for option 2	Each
		3.2	Module 3: Option 1 = 12,500 Wh Option 2 = 50,000 Wh	25 for option 1 Or 25 for option 2	Each

***These are indicative quantities. There is no guarantee that these quantities will be procured during contract implementation.**

2. Delivery and Completion Schedule

The delivery will be done against the contracts signed by the Non-residential Borrowers directly with the prequalified Applicant on as required basis. The specific delivery timeline will be indicated in each order but shall not exceed 90 days.

Maintenance shall be provided on semi-annual basis starting from the completion of the installation.

3. Technical Specifications

3.1 Background

On 27 October 2020, ADB approved the administration of Grant 9212-PAL: Disaster Resilient Clean Energy Financing to Palau (DRCEF) for \$3 million financed by JFPR. The project was ADB's first assistance to a Pacific DMC adopting a financial intermediary (FI) approach to target DRCEF for low-income and women beneficiaries and aimed to facilitate access of low-income households and female borrowers to affordable DRCEF in Palau through three outputs: (i) a DRCEF facility for eligible borrowers made available, (ii) improved accessibility to disaster resilient clean energy loans for eligible women borrowers, and (iii) increased capacity and awareness of stakeholders. The project is ongoing until 30 April 2024.

On 06 September 2021, ADB approved a Concept Clearance for a proposed additional financing for the DRCEF facility under Grant 54011-002 for \$5 million financed by JFJCM to further accelerate clean energy investments under DRCEF ("the Project"). The scope will support an added Output 4: new product for incentivizing the adoption of advanced low-carbon technologies in clean energy projects made available and operationalized for the Non-residential Borrowers.

The related procurement is for solar PV systems, battery energy storage system, inverters, and includes supply, installation, end-user training, maintenance, and warranty for Palau the Non-residential Borrowers as follows:

- a 6-year supply, warranty, installation and end-user training with unit prices fixed for the duration of the contract.
- A 15-year maintenance requirement paid on per panel basis. It will include supplier's obligations to service the equipment twice a year and to undertake end-of-life collection, disposal and recycling of batteries.

The contract will have a ceiling of with set out terms and conditions under which specific orders can be made throughout the term of the contract. There is no guarantee of the quantities to be procured.

Under the DRCEF project, a new loan product with a lowered interest rate to support the Non-residential Borrowers to deploy low-carbon technologies is funded by the Japan Fund for the Joint Crediting Mechanism (JFJCM). The JFJCM requires the carbon dioxide emission reductions achieved by each recipient of the loans to be converted to carbon credits under the Joint Crediting Mechanism between Palau and Japan. All the carbon credits generated through the project are entitled to the Government of Palau, part of which will be shared with the Government of Japan taking into consideration the contribution from the JFJCM. Therefore, the prequalified Applicant will not be allowed to claim any rights for the carbon emission reductions or other equivalent values associated with the project.

This (sub)loan product was established under the Disaster Resilient Clean Energy Financing Project funded by the Japan Fund for the Joint Crediting Mechanism (JFJCM) of the Asian Development Bank. By signing this (sub)loan agreement, the borrower agrees to fully transfer any rights for carbon dioxide emission reductions, which are associated with the solar photovoltaic system installed by utilizing this (sub)loan, to the Government of Palau.

1. Description of Goods to be procured

Typical size of systems. Solar PV systems for the Non-residential Borrowers operating in Palau can be sized up by the Non-residential Borrower's energy consumption and load profile. Three sizes of solar home systems have been identified and characterized in Table 1.

Table 1: Sizes of solar PV systems for the Non-residential Borrowers

Size module	Indicative capacity solar PV module (kWp/module)	Indicative capacity batteries per PV module(kWh)
1	5	0
2	15	Option 1 = 3.75 Option 2 = 15
3	50	Option 1 = 12.5 Option 2 = 50

2. Technical specifications

2.1 Item 1:

- A. Photovoltaic panels.** Technical specifications for the photovoltaic (PV) panels for modules 1, 2 and 3 are:
- a) The indicative capacity of the PV panels installed in each module is:
 - a. Module 1: 5 kWp
 - b. Module 2: 15 kWp
 - c. Module 3: 50 kWp
 - b) The PV modules shall be warranted for long-term reliability with output guarantees of > 90% before 10 years and >80% after 25 years under the tropical and coastal conditions in Palau.
 - c) The PV modules must comply with the following international standards:
 - a. IEC 61215
 - b. IEC 61730 Part 1 and Part 2
 - c. IEC 61701 Salt and Mist Corrosion Severity Level 6
 - d) The PV panels must have been tested by an internationally recognized testing facility and certified by that facility to meet internationally accepted standards.
 - e) 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.
 - f) 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.
 - g) 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.
 - h) 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.
 - i) Connectors should be by standard "quick connect" type socket.

B. Photovoltaic module support structures. Technical specifications for the PV module support structures for modules 1, 2 and 3 are:

- 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 the 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 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 solar panels on metal roofing and shall be adjustable to fit standard solar panels in the 300-350 Wp range.

C. Wiring. Technical specifications for the wiring corresponding to modules 1, 2, and 3 are:

- 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.

3.2 Item 2: Inverters.

3.2.1 Technical specifications for the hybrid string inverters for modules 1 and 2 are:

- a) Indicative nominal output power

Module 1: 5,000 W
Module 2: 15,000 W

- b) Inverters with an input rating suitable for PV arrays of approximately 1.7kW and designed for on-grid applications.
- c) Output: 120/240V (split phase), 208V (2/3 phase) and 230V (single phase) or equivalent, with an efficiency rating of > 97% and be designed to provide output at 120V 60Hz.
- d) Power factor: 1 (adjustable from 0.8 leading to 0.8 lagging).
- e) THDi / THDv: <3 @Rated Power
- f) Grid regulation: IEEE 1547-2018, VDE 4105, EN 50549, C10/11, NC RfG, G98, TOR Erzeuger, AS4777.2, PEA, UNE_217002, VDE 0126
- g) Switch time (ms): < 20
- h) They must be suitable for outdoor installation with an IP65 rating or above, IP21 for indoor protection, and suitably protected to be able to last in a tropical, coastal environment.
- i) Other features:
 1. Inbuilt MPPT charge controller
 2. Inbuilt isolation transformer to protect from grid surges and noise.
 3. User friendly Informative LCD/LED display
 4. Dual MCB protection against short circuit protection for AC and DC
 5. Safe for home use with comprehensive protection features such as overcurrent, short-circuit, reverse polarity and anti-islanding
 6. Inbuilt communication through Ethernet and Wi-Fi
- j) Should comply with grid regulations of Palau and international IEC and UL standards, in particular standards for safety - IEC 62109 - 1&2 and IEC 62140.

3.2.2 Technical specifications for string inverter for module 3 are:

- a) Indicative nominal output power
Module 3: 50,000 W
- b) String inverter with an input rating suitable for PV arrays of approximate 1.7kW and designed for on-grid applications.
- c) Output: Inverter must be three-phase with an efficiency rating of > 97%, designed to provide output at 120V 60Hz.
- d) Power factor: 1 (adjustable from 0.8 leading to 0.8 lagging).
- e) THDi / THDv: <3 @Rated Power
- f) Grid regulation: VDE 4105, EN 50549, C10/11, NC RfG, G98, G99, TOR Erzeuger, AS4777.2, PEA, UNE_217002, VDE 0126
- g) Switch time (ms): < 20
- h) They must be suitable for outdoor installation with an IP65 rating or above, IP21 for indoor protection, and suitably protected to be able to last in a tropical, coastal environment.
- i) Other features:
 1. Inbuilt MPPT charge controller
 2. Inbuilt isolation transformer to protect from grid surges and noise.
 3. User friendly Informative LCD/LED display
 4. Dual MCB protection against short circuit protection for AC and DC

5. Safe for home use with comprehensive protection features such as overcurrent, short-circuit, reverse polarity and anti-islanding

6. Inbuilt communication through Ethernet and Wi-Fi

- j) Should comply with grid regulations of Palau and international IEC and UL standards, in particular standards for safety - IEC 62109 - 1&2 and IEC 62140.

3.2.3 All inverters (modules 1, 2, 3) that meet these additional specifications will be preferred:¹⁰

- a) Inverters are grid-forming inverters.

3.3 Item 3: Battery storage.

Technical specifications for the battery storage for modules 2, and 3 are:

- a. Indicative nominal battery capacity:

Module 2: option 1 = 3,750 Wh, option 2 =15,000 Wh

Module 3: option 1= 12,500 Wh, option 2 = 50,000 Wh

- b. Technology: Lithium LFP
 c. Depth of discharge > 95%
 d. Round trip efficiency > 90%
 e. Lifetime > 10 years

4. Manuals

Supplier shall provide for each of the system supplied installation, operation, maintenance, and parts list manuals written in the English language for regular maintenance and major overhauls of the items supplied as part of this Contract.

5. Warranty

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 PPUC, 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.

The warranty period for solar panels will be 10 years from the date of installation 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.

¹⁰ Additional requirements are temporary until Palau Power Utilities Corporation (PPUC) enhances its battery storage capacity. Until then, all new connections to the Koror-Babeldaob (KB) grid shall adhere to an export limit of 0 kW, and shall be sized to only provide power to the local premises without exporting any energy to the grid.

All warranties will clearly acknowledge the extreme tropical environment in which the systems are to be installed. Failure of the structure the units are installed onto, causing damage to the SHS, will invalidate any warranties given.

Warranties will be invalidated if the equipment is not maintained to the manufacturer's requirements. Maintenance and repairs or changes to the solar systems can only be carried out by an engineer pre-approved by the Supplier. Any works carried out by a non-approved engineer will invalidate the warranties provided.

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 the Contract and full compliance with the terms of the Contract for the duration of time such products, work and services for the warranted period, beginning from the date of the acceptance letter by the PPUC. Any faults, defects, or problems discovered during this period shall be corrected promptly (within 20 working 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 PPUC to do so; if Supplier fails to do so, PPUC 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, PPUC 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 PPUC to stop performance by Supplier shall not give rise to a duty on the part of PPUC to exercise this right for the benefit of Supplier or any other person or entity.

6. End-User Training

The Supplier must provide basic training to end-users on how to operate the solar system right after their installation. Training material for the end users should be provided along with this training. This material must be easy to understand, clear and graphic. The training material should cover at least the following items:

- Basic explanation of how the solar system works
- Description of the main components of the solar system (solar PV module, inverter, battery, battery charge controller, etc.)
- Operation of the solar system
- Limitations of the solar system
- List of to do and don'ts.
- End-user Troubleshooting

7. Installation

- A) The Supplier shall consider localization of installation and maintenance throughout the contract duration by mobilizing installation 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 will broadly be as follows:

a. Initial Site Survey

i. Undertake Site Specific Risk Assessment

- Access & Egress.
- Working at Height.
- Test existing electrical installation.
- Confirm earthing arrangements.

ii. Confirm Roof – Type, Available Area, Angle and Fixings, any shading issues

iii. Distribution Board Type and Size

iv. Cable routes

v. Agree Meter location with building owner. Must be located close to existing meter

vi. Confirm connection agreement with local Grid operator – Palau Public Utilities Corporation (PPUC)

b. Support Services

i. Complete design for system based on Survey.

ii. Agree design with building owner.

iii. Agree Program of works with building owner.

iv. Place orders for plant and equipment from local facility warehousing Solar Systems.

v. Undertake Method Statements and Risk Assessments for proposed works.

vi. Complete job pack with required information inc. designs and approvals

vii. Assign Installation Team and Supervisor to job management system.

c. Installation

i. Undertake works as per agreed design and program.

ii. Test and Commission works as per agreed design.

iii. Instruct Building owner on operation of solar system.

iv. Instruct Building owner on what to do in case of an emergency.

v. Leave Solar System User manual with support contact numbers.

vi. Complete paperwork and documentation.

vii. Completed Job Pack to be submitted to the Administration Team.

d. Administration

i. Review and Sign off completed job.

C) Training of Installers

The Supplier shall conduct training and certification for installing and maintenance for local installers. The installation team should comprise of 50% local residents and/or citizens who have been trained by the Supplier. The supplier's trainer(s) will observe and oversee installations of a minimum 25% of total installations.

It is expected that the scope of works for the training program will be done in phases and will include:

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 building owners, Trainers and PPUC Applicants will Graduate.

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

c. Trainers should have the following experience and qualifications:

- i. Safety Harness & Lanyard Training
- ii. Work at Height Training
- iii. License 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

D) Operation Manual

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.

E) Additional Installation Requirements

The building owner will pay for work installations that differ to these specifications outside of this contract, such as:

- Additional costs for installations above single story level.
- Host buildings with flat roofs that require additional fittings to angle the panels.
- Roofs that require additional support works before panels can be installed.
- Building whose meter is at the boundary of the site
- Building without an awning or shelter to install the inverter under
- DC and AC of earth cable runs over 10m in length.
- Unclear and restricted access to the host building for internal work and scaffold tower.
- Any additional electrical works required to install the solar system.
- Any additional building, structural or civil works required to install the solar system.
- Any voltage outside 120V or 240V
- Type 2 Surge protection on both AC and DC supply if required or requested by PPUC

8. Inspection and testing requirements

By the supplier:

- Roof is optimally aligned to the sun to meet optimum output.

- Roof is suitable for the installation of the requested solar system.

By third-party organizations:

- IEEE 1547-2018 Standard for Interconnection and Interoperability of Distributed Energy Resources.
- IEC 61215 certification or equivalent certification for solar panels to be supplied
- Underwriters Laboratories (UL) certification, or CE mark, and/or equivalent certifications for solar PV panels, inverters and batteries.

9. Provision of annual data needed for the CO2 emission report

The Supplier is responsible to remotely record data related to the production of electricity of each installed solar system for the duration of 10 years from the date of contract signature and translate it into quarterly CO2 emissions saved reports that will be submitted to PPUC the subsequent month after the end of each quarter. The assumptions for the CO2 emissions saved report will be established by PPUC at contract signature. These assumptions may be revised by PPUC at any moment and communicated to the Supplier.

10. Collection, recycling and end-of life of LFP batteries

The Supplier is responsible for the collection, storing and recycling/end-of-life treatment and final disposal (outside Palau) of the LFP batteries supplied under this contract. To meet this obligation, the Supplier must provide as part of its Technical Offer a commitment plan explaining in detail how this responsibility will be fulfilled and how the Supplier will ensure that Palau's environment, including soil, waters and air are not environmentally harmed in the fulfillment of this responsibility.

Section 7: General Conditions of Contract

The below contract is a template to be used between the prequalified Supplier and the Purchaser (the Non-residential Borrowers in Palau)

Table of Clauses

1.	Definitions	77
3.	Contract Documents	78
4.	Fraud and Corruption	78
5.	Interpretation	81
6.	Language	82
7.	Joint Venture	82
8.	Eligibility	82
9.	Notices	82
10.	Governing Law	82
11.	Settlement of Disputes	82
12.	Scope of Supply	83
13.	Delivery	83
14.	Supplier's Responsibilities	83
15.	Purchaser's Responsibilities	83
16.	Contract Price	83
17.	Terms of Payment.....	83
18.	Taxes and Duties	84
19.	Performance Security.....	84
20.	Copyright.....	84
21.	Confidential Information	84
22.	Subcontracting	85

23.	Specifications and Standards	85
24.	Packing and Documents	86
25.	Insurance	86
26.	Transportation	86
27.	Inspections and Tests	86
28.	Liquidated Damages	87
29.	Warranty.....	87
30.	Patent Indemnity	88
31.	Limitation of Liability.....	89
32.	Change in Laws and Regulations	89
33.	Force Majeure	90
34.	Change Orders and Contract Amendments.....	90
35.	Extensions of Time.....	91
36.	Termination	91
37.	Assignment	92
38.	Respectful Work Environment	92

1. Definitions

2. The following words and expressions shall have the meanings hereby assigned to them:

- (a) "Contract" means the Agreement entered into between the Purchaser and the Supplier, together with the Contract Documents referred to therein, including all attachments, appendixes, and all documents incorporated by reference therein.
- (b) "Contract Documents" means the documents listed in the Agreement, including any amendments thereto.
- (c) "Contract Price" means the price payable to the Supplier as specified in the Agreement, subject to such additions and adjustments thereto or deductions therefrom, as may be made pursuant to the Contract.
- (d) "Day" means calendar day.
- (e) "Delivery" means the transfer of the Goods from the Supplier to the Purchaser in accordance with the terms and conditions set forth in the Contract.
- (f) "Completion" means the fulfillment of the Related Services by the Supplier in accordance with the terms and conditions set forth in the Contract.
- (g) "Eligible Countries" means the countries and territories eligible as listed in Section 5.
- (h) "GCC" means the General Conditions of Contract.
- (i) "Goods" means all of the commodities, raw material, machinery and equipment, and/or other materials that the Supplier is required to supply to the Purchaser under the Contract.
- (j) "Purchaser's Country" is the country specified in the Special Conditions of Contract (SCC).
- (k) "Purchaser" means the entity purchasing the Goods and Related Services, as specified in the SCC.
- (l) "Related Services" means the services incidental to the supply of the goods, such as insurance, installation, training and initial maintenance and other similar obligations of the Supplier under the Contract.
- (m) "SCC" means the Special Conditions of Contract.
- (n) "Subcontractor" means any natural person, private or government entity, or a combination of the above, including its legal successors or permitted assigns, to whom any part of the Goods to be supplied or execution of any part of the Related Services is subcontracted by the Supplier.
- (o) "Supplier" means the natural person, private or government entity, or a combination of the above, whose Application to perform the Contract has been accepted by the Purchaser and is named as

such in the Agreement, and includes the legal successors or permitted assigns of the Supplier.

(p) "ADB" is the Asian Development Bank.

(q) "The Site," where applicable, means the place named in the SCC.

3. Contract Documents

2.1 Subject to the order of precedence set forth in the Agreement, all documents forming the Contract (and all parts thereof) are intended to be correlative, complementary, and mutually explanatory.

4. Fraud and Corruption

a. If the Purchaser determines, based on reasonable evidence, that the Supplier has engaged in corrupt, fraudulent, collusive or coercive practices, or other integrity violations, including the failure to disclose any required information which constitutes a fraudulent practice, in competing for or in executing the Contract, then the Purchaser may, after giving 14 days' notice to the Supplier, terminate the Contract and expel him from the Site, and the provisions of Clause 35 shall apply as if such termination had been made under Sub-Clause 35.1(a) (iii) [Termination].

b. ADB requires Borrowers (including beneficiaries of ADB-financed activity) and their personnel, as well as firms and individuals participating in an ADB-financed activity, including but not limited to, Applicants, Suppliers, and Contractors, agents, subcontractors, subconsultants, service providers, sub suppliers, manufacturers (including their respective officers, directors, employees and personnel) under ADB-financed contracts to observe the highest standard of ethics during the procurement and execution of such contracts in accordance with ADB's Anticorruption Policy (1998, as amended from time to time). In pursuance of this policy, ADB

(a) defines, for the purposes of this provision, the terms set forth below as follows:

(viii) "corrupt practice" means the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party;

(ix) "fraudulent practice" means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

(x) "coercive practice" means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

(xi) "collusive practice" means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;

(xii) "abuse" means theft, waste, or improper use of assets related to ADB-related activity, either committed intentionally or through reckless disregard;

- (xiii) "conflict of interest" means any situation in which a party has interests that could improperly influence that party's performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations; and
 - (xiv) "integrity violation" is any act, as defined under ADB's Integrity Principles and Guidelines (2015, as amended from time to time), which violates ADB's Anticorruption Policy, including (i) to (vi) above and the following: obstructive practice, violations of ADB sanctions, retaliation against whistleblowers or witnesses, and other violations of ADB's Anticorruption Policy, including failure to adhere to the highest ethical standard.
- (b) will reject a proposal for award if it determines that the Applicant recommended for award or any of its officers, directors, employees, personnel, subconsultants, subcontractors, service providers, suppliers or manufacturers has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices or other integrity violations in competing for the Contract;
 - (c) will cancel the portion of the financing allocated to a contract if it determines at any time that representatives of the Borrower or of a beneficiary of ADB-financing engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices or other integrity violations during the procurement or the execution of that contract, without the Borrower having taken timely and appropriate action satisfactory to ADB to remedy the situation, including by failing to inform ADB in a timely manner at the time they knew of the integrity violations;
 - (d) will impose remedial actions on a firm or an individual, at any time, in accordance with ADB's Anticorruption Policy and Integrity Principles and Guidelines, including declaring ineligible, either indefinitely or for a stated period of time, to participate¹¹ in ADB-financed, -administered, or -supported activities or to benefit from an ADB-financed, -administered, or -supported contract, financially or otherwise, if it at any time determines that the firm or individual has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices or other integrity violations; and
 - (e) will have the right to require that a provision be included in prequalification documents and in contracts financed, administered, or supported by ADB, requiring Applicants, suppliers and contractors, consultants, manufacturers, service providers and other third parties engaged or involved in ADB-related activities, and their respective officers, directors, employees and personnel, to permit ADB or its representative to inspect the site and their assets, accounts and records and other documents relating to the Application submission and

¹¹ Whether as a Contractor, Subcontractor, Consultant, Manufacturer or Supplier, or Service Provider; or in any other capacity (different names are used depending on the particular Bidding Document).

contract performance and to have them audited by auditors appointed by ADB.

- c. All Applicants, consultants, contractors, suppliers, manufacturers, service providers, and other third parties engaged or involved in ADB-related activities and their respective officers, directors, employees and personnel, are obliged to cooperate fully in any investigation when requested by ADB to do so. As determined on a case by case basis by ADB, such cooperation includes, but is not limited to, the following:
 - (a) being available to be interviewed and replying fully and truthfully to all questions asked;
 - (b) providing ADB with any items requested that are within the party's control including, but not limited to, documents and other physical objects;
 - (c) upon written request by ADB, authorizing other related entities to release directly to ADB such information that is specifically and materially related, directly or indirectly, to the said entities or issues which are the subject of the investigation;
 - (d) cooperating with all reasonable requests to search or physically inspect their person and/or work areas, including files, electronic databases, and personal property used on ADB activities, or that utilizes ADB's Information and Communication Technology (ICT) resources or systems (including mobile phones, personal electronic devices, and electronic storage devices such as external disk drives);
 - (e) cooperating in any testing requested by ADB, including but not limited to, fingerprint identification, handwriting analysis, and physical examination and analysis; and
 - (f) preserving and protecting confidentiality of all information discussed with, and as required by, ADB.
- d. All Applicants, consultants, contractors and suppliers shall require their officers, directors, employees, personnel, agents to ensure that, in its contracts with its subconsultants, Subcontractors and other third parties engaged or involved in ADB-related activities, such subconsultants, Subcontractors and other third parties similarly are obliged to cooperate fully in any investigation when requested by ADB to do so.
- e. The Supplier shall permit ADB or its representative to inspect the Supplier's site, assets, accounts and records and other documents relating to the Application submission and contract performance of the Supplier and to have them audited by auditors appointed by ADB, if so required by ADB.
- f. The Supplier undertakes that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the

Application, have been given or received in connection with the procurement process or in the contract execution.¹²

5. Interpretation

a. If the context so requires it, singular means plural and vice versa.

b. Incoterms

(a) The meaning of any trade term and the rights and obligations of parties thereunder shall be as prescribed by Incoterms.

(b) EXW, CIF, CIP, and other similar terms, shall be governed by the rules prescribed in the current edition of Incoterms, published by the International Chamber of Commerce at the date of the Invitation for Applications or as specified in the SCC.

c. Entire Agreement

The Contract constitutes the entire agreement between the Purchaser and the Supplier and supersedes all communications, negotiations, and agreements (whether written or oral) of parties with respect thereto made prior to the date of Contract.

d. Amendment

No amendment or other variation of the Contract shall be valid unless it is in writing, is dated, expressly refers to the Contract, and is signed by a duly authorized representative of each party thereto.

e. Nonwaiver

(a) Subject to GCC Subclause 4.5(b) below, no relaxation, forbearance, delay, or indulgence by either party in enforcing any of the terms and conditions of the Contract or the granting of time by either party to the other shall prejudice, affect, or restrict the rights of that party under the Contract, neither shall any waiver by either party of any breach of Contract operate as waiver of any subsequent or continuing breach of Contract.

(b) Any waiver of a party's rights, powers, or remedies under the Contract must be in writing, dated, and signed by an authorized representative of the party granting such waiver, and must specify the right and the extent to which it is being waived.

f. Severability

If any provision or condition of the Contract is prohibited or rendered invalid or unenforceable, such prohibition, invalidity, or

¹² The undertaking also applies during the period of performance of the contract.

unenforceability shall not affect the validity or enforceability of any other provisions and conditions of the Contract.

- 6. Language**
- a. The Contract as well as all correspondence and documents relating to the Contract exchanged by the Supplier and the Purchaser, shall be written in the language specified in the SCC. Supporting documents and printed literature that are part of the Contract may be in another language provided they are accompanied by an accurate translation of the relevant passages in the language specified in the SCC, in which case, for purposes of interpretation of the Contract, this translation shall govern.
 - b. The Supplier shall bear all costs of translation to the governing language and all risks of the accuracy of such translation.
- 7. Joint Venture**
- a. If the Supplier is a Joint Venture all of the parties shall be jointly and severally liable to the Purchaser for the fulfillment of the provisions of the Contract and shall designate one party to act as a leader with authority to bind the Joint Venture. The composition or the constitution of the Joint Venture shall not be altered without the prior consent of the Purchaser.
- 8. Eligibility**
- a. The Supplier and its Subcontractors shall have the nationality of an eligible country. A Supplier or Subcontractor shall be deemed to have the nationality of a country if it is a citizen or constituted, incorporated, or registered, and operates in conformity with the provisions of the laws of that country.
 - b. All Goods and Related Services to be supplied under the Contract and financed by ADB shall have their origin in Eligible Countries. For the purpose of this clause, "country of origin" means the country where the goods have been grown, mined, cultivated, produced, manufactured, or processed; or through manufacture, processing, or assembly, another commercially recognized article results that differs substantially in its basic characteristics from its imported components.
- 9. Notices**
- a. Any Notice given by one party to the other pursuant to the Contract shall be in writing to the address specified in the SCC. The term "in writing" means communicated in written form with proof of receipt.
 - b. A Notice shall be effective when delivered or on the Notice's effective date, whichever is later.
- 10. Governing Law**
- a. The Contract shall be governed by and interpreted in accordance with the laws of the Purchaser's country, unless otherwise specified in the SCC.
- 11. Settlement of Disputes**
- a. The Purchaser and the Supplier shall make every effort to resolve amicably by direct informal negotiation any disagreement or dispute arising between them under or in connection with the Contract.
 - b. If the parties fail to resolve such a dispute or difference by mutual consultation within 28 days from the commencement of such

consultation, either party may require that the dispute be referred for resolution to the formal mechanisms specified in the SCC.

- 12. Scope of Supply**
- a. Subject to the SCC, the Goods and Related Services to be supplied shall be as specified in Section 6 (Schedule of Supply).
 - b. Unless otherwise stipulated in the Contract, the Scope of Supply shall include all such items not specifically mentioned in the Contract but that can be reasonably inferred from the Contract as being required for attaining Delivery and Completion of the Goods and Related Services as if such items were expressly mentioned in the Contract.
- 13. Delivery**
- a. Subject to GCC Subclause 33.1, the Delivery of the Goods and Completion of the Related Services shall be in accordance with the Delivery and Completion Schedule specified in the Section 6 (Schedule of Supply). The details of shipping and other documents to be furnished by the Supplier are specified in the SCC.
- 14. Supplier's Responsibilities**
- a. The Supplier shall supply all the Goods and Related Services included in the Scope of Supply in accordance with GCC Clause 11, and the Delivery and Completion Schedule, as per GCC Clause 12.
- 15. Purchaser's Responsibilities**
- a. Whenever the supply of Goods and Related Services requires that the Supplier obtain permits, approvals, and import and other licenses from local public authorities, the Purchaser shall, if so required by the Supplier, make its best effort to assist the Supplier in complying with such requirements in a timely and expeditious manner.
 - b. The Purchaser shall pay all costs involved in the performance of its responsibilities, in accordance with GCC Subclause 14.1.
- 16. Contract Price**
- a. The Contract Price shall be as specified in the Agreement subject to any additions and adjustments thereto, or deductions therefrom, as may be made pursuant to the Contract.
 - b. Prices charged by the Supplier for the Goods delivered and the Related Services performed under the Contract shall not vary from the prices quoted by the Supplier in its Application, with the exception of any price adjustments authorized in the SCC.
- 17. Terms of Payment**
- a. The Contract Price shall be paid as specified in the SCC.
 - b. The Supplier's request for payment shall be made to the Purchaser in writing, accompanied by invoices describing, as appropriate, the Goods delivered and Related Services performed, and by the documents submitted pursuant to GCC Clause 12 and upon fulfillment of all the obligations stipulated in the Contract.
 - c. Payments shall be made promptly by the Purchaser, no later than 60 days after submission of an invoice or request for payment by the Supplier, and the Purchaser has accepted it.
 - d. The currency or currencies in which payments shall be made to the Supplier under this Contract shall be specified in the SCC.

- 18. Taxes and Duties**
- a. For goods supplied from outside the Purchaser's country, the Supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the Purchaser's country.
 - b. For goods supplied from within the Purchaser's country, the Supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted Goods to the Purchaser.
 - c. If any tax exemptions, reductions, allowances or privileges may be available to the Supplier in the Purchaser's Country, the Purchaser shall use its best efforts to enable the Supplier to benefit from any such tax savings to the maximum allowable extent.
- 19. Performance Security**
- a. The Supplier shall, within 28 days of the notification of Contract award, provide a Performance Security for the due performance of the Contract in the amounts and currencies specified in the SCC.
 - b. The proceeds of the Performance Security shall be payable to the Purchaser as compensation for any loss resulting from the Supplier's failure to complete its obligations under the Contract.
 - c. The Performance Security shall be denominated in the currencies of the Contract, or in a freely convertible currency acceptable to the Purchaser and shall be in one of the forms stipulated by the Purchaser in the SCC, or in another form acceptable to the Purchaser.
 - d. The Performance Security shall be discharged by the Purchaser and returned to the Supplier not later than 28 days following the date of completion of the Supplier's performance obligations under the Contract, including any warranty obligations, unless specified otherwise in the SCC.
- 20. Copyright**
- a. The copyright in all drawings, documents, and other materials containing data and information furnished to the Purchaser by the Supplier herein shall remain vested in the Supplier, or, if they are furnished to the Purchaser directly or through the Supplier by any third party, including suppliers of materials, the copyright in such materials shall remain vested in such third party.
- 21. Confidential Information**
- a. The Purchaser and the Supplier shall keep confidential and shall not, without the written consent of the other party hereto, divulge to any third party any documents, data, or other information furnished directly or indirectly by the other party hereto in connection with the Contract, whether such information has been furnished prior to, during or following completion or termination of the Contract. Notwithstanding the above, the Supplier may furnish to its Subcontractor such documents, data, and other information it receives from the Purchaser to the extent required for the Subcontractor to perform its work under the Contract, in which event the Supplier shall obtain from such Subcontractor an undertaking of confidentiality similar to that imposed on the Supplier under GCC Clause 20.
 - b. The Purchaser shall not use such documents, data, and other information received from the Supplier for any purposes unrelated to the Contract. Similarly, the Supplier

shall not use such documents, data, and other information received from the Purchaser for any purpose other than the design, procurement, or other work and services required for the performance of the Contract.

- c. The obligation of a party under GCC Subclauses 20.1 and 20.2 above, however, shall not apply to information that
 - (a) the Purchaser or Supplier needs to share with ADB or other institutions participating in the financing of the Contract;
 - (b) now or hereafter enters the public domain through no fault of that party;
 - (c) can be proven to have been possessed by that party at the time of disclosure and which was not previously obtained, directly or indirectly, from the other party; or
 - (d) otherwise lawfully becomes available to that party from a third party that has no obligation of confidentiality.
- d. The above provisions of GCC Clause 20 shall not in any way modify any undertaking of confidentiality given by either of the parties hereto prior to the date of the Contract in respect of the Supply or any part thereof.
- e. The provisions of GCC Clause 20 shall survive completion or termination, for whatever reason, of the Contract.

22. Subcontracting

- a. The Supplier shall notify the Purchaser in writing of all subcontracts awarded under the Contract if not already specified in the Application. Subcontracting shall in no event relieve the Supplier from any of its obligations, duties, responsibilities, or liability under the Contract.
- b. Subcontracts shall comply with the provisions of GCC Clauses 3 and 7.

23. Specifications and Standards

- a. Technical Specifications and Drawings
 - (a) The Supplier shall ensure that the Goods and Related Services comply with the technical specifications and other provisions of the Contract.
 - (b) The Supplier shall be entitled to disclaim responsibility for any design, data, drawing, specification or other document, or any modification thereof provided or designed by or on behalf of the Purchaser, by giving a notice of such disclaimer to the Purchaser.
 - (c) The Goods and Related Services supplied under this Contract shall conform to the standards mentioned in Section 6 (Schedule of Supply) and, when no applicable standard is mentioned, the standard shall be equivalent or superior to the official standards

whose application is appropriate to the country of origin of the Goods.

- b. Wherever references are made in the Contract to codes and standards in accordance with which it shall be executed, the edition or the revised version of such codes and standards shall be those specified in the Section 6 (Schedule of Supply). During Contract execution, any changes in any such codes and standards shall be applied only after approval by the Purchaser and shall be treated in accordance with GCC Clause 33.

24. Packing and Documents

- a. The Supplier shall provide such packing of the Goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the Contract. During transit, the packing shall be sufficient to withstand, without limitation, rough handling and exposure to extreme temperatures, salt and precipitation, and open storage. Packing case size and weights shall take into consideration, where appropriate, the remoteness of the final destination of the Goods and the absence of heavy handling facilities at all points in transit.
- b. The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the Contract, including additional requirements, if any, specified in the SCC, and in any other instructions ordered by the Purchaser.

25. Insurance

- a. Unless otherwise specified in the SCC, the Goods supplied under the Contract shall be fully insured, in a freely convertible currency from an eligible country, against loss or damage incidental to manufacture or acquisition, transportation, storage, and delivery, in accordance with the applicable Incoterms or in the manner specified in the SCC.

26. Transportation

- a. Unless otherwise specified in the SCC, obligations for transportation of the Goods shall be in accordance with the Incoterms specified in Section 6 (Schedule of Supply).

27. Inspections and Tests

- a. The Supplier shall at its own expense and at no cost to the Purchaser carry out all such tests and/or inspections of the Goods and Related Services as are specified in Section 6 (Schedule of Supply).
- b. The inspections and tests may be conducted on the premises of the Supplier or its Subcontractor, at point of delivery, and/or at the final destination of the Goods, or in another place in the Purchaser's country as specified in the SCC. Subject to GCC Subclause 26.3, if conducted on the premises of the Supplier or its Subcontractor, all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to the Purchaser.
- c. The Purchaser or its designated representative shall be entitled to attend the tests and/or inspections referred to in GCC Subclause 26.2,

provided that the Purchaser bear all of its own costs and expenses incurred in connection with such attendance including, but not limited to, all traveling and board and lodging expenses.

- d. Whenever the Supplier is ready to carry out any such test and inspection, it shall give a reasonable advance notice, including the place and time, to the Purchaser. The Supplier shall obtain from any relevant third party or manufacturer any necessary permission or consent to enable the Purchaser or its designated representative to attend the test and/or inspection.
- e. The Purchaser may require the Supplier to carry out any test and/or inspection not required by the Contract but deemed necessary to verify that the characteristics and performance of the Goods comply with the technical specifications, codes, and standards under the Contract, provided that the Supplier's reasonable costs and expenses incurred in the carrying out of such test and/or inspection shall be added to the Contract Price. Further, if such test and/or inspection impedes the progress of manufacturing and/or the Supplier's performance of its other obligations under the Contract, due allowance will be made in respect of the Delivery Dates and Completion Dates and the other obligations so affected.
- f. The Supplier shall provide the Purchaser with a report of the results of any such test and/or inspection.
- g. The Purchaser may reject any Goods or any part thereof that fail to pass any test and/or inspection or do not conform to the specifications. The Supplier shall either rectify or replace such rejected Goods or parts thereof or make alterations necessary to meet the specifications at no cost to the Purchaser, and shall repeat the test and/or inspection, at no cost to the Purchaser, upon giving a notice pursuant to GCC Subclause 26.4.
- h. The Supplier agrees that neither the execution of a test and/or inspection of the Goods or any part thereof, nor the attendance by the Purchaser or its representative, nor the issue of any report pursuant to GCC Subclause 26.6, shall release the Supplier from any warranties or other obligations under the Contract.

28. Liquidated Damages

- a. Except as provided under GCC Clause 32, if the Supplier fails to deliver any or all of the Goods or perform the Related Services within the period specified in the Contract, the Purchaser may without prejudice to all its other remedies under the Contract, deduct from the Contract Price, as liquidated damages, a sum equivalent to the percentage specified in the SCC of the Contract Price for each week or part thereof of delay until actual delivery or performance, up to a maximum deduction of the percentage specified in the SCC. Once the maximum is reached, the Purchaser may terminate the Contract pursuant to GCC Clause 35.

29. Warranty

- a. The Supplier warrants that all the Goods are new, unused, and of the most recent or current models, and that they incorporate all recent improvements in design and materials, unless provided otherwise in the Contract.

- b. Subject to GCC Subclause 22.1, the Supplier further warrants that the Goods shall be free from defects arising from any act or omission of the Supplier or arising from design, materials, and workmanship, under normal use in the conditions prevailing in the country of final destination.
- c. Unless otherwise specified in the SCC, the warranty shall remain valid for 12 months after the Goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the SCC, or for 18 months after the date of shipment or loading in the country of origin, whichever period concludes earlier.
- d. The Purchaser shall give Notice to the Supplier, stating the nature of any such defects together with all available evidence thereof, promptly following the discovery thereof. The Purchaser shall afford all reasonable opportunity for the Supplier to inspect such defects.
- e. Upon receipt of such Notice, the Supplier shall, within the period specified in the SCC, expeditiously repair or replace the defective Goods or parts thereof, at no cost to the Purchaser.
- f. If having been notified, the Supplier fails to remedy the defect within the period specified in the SCC, the Purchaser may proceed to take within a reasonable period such remedial action as may be necessary, at the Supplier's risk and expense and without prejudice to any other rights which the Purchaser may have against the Supplier under the Contract.

30. Patent Indemnity

- a. The Supplier shall, subject to the Purchaser's compliance with GCC Subclause 29.2, indemnify and hold harmless the Purchaser and its employees and officers from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of any nature, including attorney's fees and expenses, which the Purchaser may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright, or other intellectual property right registered or otherwise existing at the date of the Contract by reason of
 - (a) the installation of the Goods by the Supplier or the use of the Goods in the country where the Site is located; and
 - (b) the sale in any country of the products produced by the Goods.

Such indemnity shall not cover any use of the Goods or any part thereof other than for the purpose indicated by or to be reasonably inferred from the Contract, neither any infringement resulting from the use of the Goods or any part thereof, or any products produced thereby in association or combination with any other equipment, plant, or materials not supplied by the Supplier, pursuant to the Contract.

- b. If any proceedings are brought or any claim is made against the Purchaser arising out of the matters referred to in GCC Subclause 29.1, the Purchaser shall promptly give the Supplier a notice thereof, and the Supplier may at its own expense and in the Purchaser's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim.
- c. If the Supplier fails to notify the Purchaser within 28 days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Purchaser shall be free to conduct the same on its own behalf.
- d. The Purchaser shall, at the Supplier's request, afford all available assistance to the Supplier in conducting such proceedings or claim, and shall be reimbursed by the Supplier for all reasonable expenses incurred in so doing.
- e. The Purchaser shall indemnify and hold harmless the Supplier and its employees, officers, and Subcontractors from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of any nature, including attorney's fees and expenses, which the Supplier may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright, or other intellectual property right registered or otherwise existing at the date of the Contract arising out of or in connection with any design, data, drawing, specification, or other documents or materials provided or designed by or on behalf of the Purchaser.

31. Limitation of Liability

- 30.1 Except in cases of gross negligence or willful misconduct,
- (a) neither party shall be liable to the other party for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the Supplier to pay liquidated damages to the Purchaser; and
 - (b) the aggregate liability of the Supplier to the Purchaser, whether under the Contract, in tort, or otherwise, shall not exceed the amount specified in the SCC, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment, or to any obligation of the Supplier to indemnify the Purchaser with respect to patent infringement.

32. Change in Laws and Regulations

- a. Unless otherwise specified in the Contract, if after the date of the Invitation for Applications, any law, regulation, ordinance, order or bylaw having the force of law is enacted, promulgated, abrogated, or changed in the place of the Purchaser's country where the Site is located (which shall be deemed to include any change in interpretation or application by the competent authorities) that subsequently affects the Delivery Date and/or the Contract Price, then such Delivery Date and/or Contract Price shall be correspondingly increased or decreased, to the extent that the Supplier has thereby been affected in the performance of any of its obligations under the Contract. Notwithstanding

the foregoing, such additional or reduced cost shall not be separately paid or credited if the same has already been accounted for in the price adjustment provisions where applicable, in accordance with GCC Clause 15.

33. Force Majeure

- a. The Supplier shall not be liable for forfeiture of its Performance Security, liquidated damages, or termination for default if and to the extent that its delay in performance or other failure to perform its obligations under the Contract is the result of an event of Force Majeure.
- b. For purposes of this clause, "Force Majeure" means an event or situation beyond the control of the Supplier that is not foreseeable, is unavoidable, and its origin is not due to negligence or lack of care on the part of the Supplier. Such events may include, but not be limited to, acts of the Purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes.
- c. If a Force Majeure situation arises, the Supplier shall promptly notify the Purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the Purchaser in writing, the Supplier shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.

34. Change Orders and Contract Amendments

- a. The Purchaser may at any time order the Supplier through Notice in accordance GCC Clause 8, to make changes within the general scope of the Contract in any one or more of the following:
 - (a) drawings, designs, or specifications, where Goods to be furnished under the Contract are to be specifically manufactured for the Purchaser;
 - (b) the method of shipment or packing;
 - (c) the place of delivery; and
 - (d) the Related Services to be provided by the Supplier.
- b. If any such change causes an increase or decrease in the cost of, or the time required for, the Supplier's performance of any provisions under the Contract, an equitable adjustment shall be made in the Contract Price or in the Delivery and Completion Schedule, or both, and the Contract shall accordingly be amended. Any claims by the Supplier for adjustment under this Clause must be asserted within 28 days from the date of the Supplier's receipt of the Purchaser's change order.
- c. Prices to be charged by the Supplier for any Related Services that might be needed but which were not included in the Contract shall be agreed upon in advance by the

parties and shall not exceed the prevailing rates charged to other parties by the Supplier for similar services.

35. Extensions of Time

- a. If at any time during performance of the Contract, the Supplier or its Subcontractors should encounter conditions impeding timely delivery of the Goods or completion of Related Services pursuant to GCC Clause 12, the Supplier shall promptly notify the Purchaser in writing of the delay, its likely duration, and its cause. As soon as practicable after receipt of the Supplier's notice, the Purchaser shall evaluate the situation and may at its discretion extend the Supplier's time for performance, in which case the extension shall be ratified by the parties by amendment of the Contract.
- b. Except in case of Force Majeure, as provided under GCC Clause 32, a delay by the Supplier in the performance of its Delivery and Completion obligations shall render the Supplier liable to the imposition of liquidated damages pursuant to GCC Clause 27, unless an extension of time is agreed upon, pursuant to GCC Subclause 34.1.

36. Termination

- a. Termination for Default
 - (a) The Purchaser, without prejudice to any other remedy for breach of Contract, by Notice of default sent to the Supplier, may terminate the Contract in whole or in part,
 - (i) if the Supplier fails to deliver any or all of the Goods within the period specified in the Contract, or within any extension thereof granted by the Purchaser pursuant to GCC Clause 34; or
 - (ii) if the Supplier fails to perform any other obligation under the Contract.
 - (iii) if the Supplier, in the judgment of the Purchaser has engaged in integrity violations, as defined in GCC Clause 3, in competing for or in executing the Contract.
 - (b) In the event the Purchaser terminates the Contract in whole or in part, pursuant to GCC Clause 35.1(a), the Purchaser may procure, upon such terms and in such manner as it deems appropriate, Goods or Related Services similar to those undelivered or not performed, and the Supplier shall be liable to the Purchaser for any additional costs for such similar Goods or Related Services. However, the Supplier shall continue performance of the Contract to the extent not terminated.
- b. Termination for Insolvency

The Purchaser may at any time terminate the Contract by giving Notice to the Supplier if the Supplier becomes bankrupt or otherwise insolvent. In such event, termination will be without compensation to the Supplier, provided that such termination will not prejudice or affect

any right of action or remedy that has accrued or will accrue thereafter to the Purchaser.

c. Termination for Convenience

- (a) The Purchaser, by Notice sent to the Supplier, may terminate the Contract, in whole or in part, at any time for its convenience. The Notice of termination shall specify that termination is for the Purchaser's convenience, the extent to which performance of the Supplier under the Contract is terminated, and the date upon which such termination becomes effective.
- (b) The Goods that are complete and ready for shipment within 28 days after the Supplier's receipt of the Notice of termination shall be accepted by the Purchaser at the Contract terms and prices. For the remaining Goods, the Purchaser may elect
 - (i) to have any portion completed and delivered at the Contract terms and prices; and/or
 - (ii) to cancel the remainder and pay to the Supplier an agreed amount for partially completed Goods and Related Services and for materials and parts previously procured by the Supplier.

37. Assignment

- a. Neither the Purchaser nor the Supplier shall assign, in whole or in part, their obligations under this Contract, except with prior written consent of the other party.

38. Respectful Work Environment

- a. The Contractor shall ensure that its employees and Subcontractors observe the highest ethical standards and refrain from any form of bullying, discrimination, misconduct and harassment, including sexual harassment and shall, at all times, behave in a manner that creates an environment free of unethical behavior, bullying, misconduct and harassment, including sexual harassment. The Contractor shall take appropriate action against any employees or Subcontractors, including suspension or termination of employment or sub-contract, if any form of unethical or inappropriate behavior is identified.
- b. The Contractor shall conduct training programs for its employees and Subcontractors to raise awareness on and prevent any form of bullying, discrimination, misconduct, and harassment including sexual harassment, and to promote a respectful work environment. The Contractor shall keep an up to date record of its employees and subcontractors who have attended and completed such training programs and provide such records to the Purchaser at their first written request.

Section 8: Special Conditions of Contract

The following Special Conditions of Contract (SCC) shall supplement the General Conditions of Contract (GCC). Whenever there is a conflict, the provisions herein shall prevail over those in the GCC.

GCC 1.1(j)	The Purchaser's country is: <u>Palau</u>														
GCC 1.1(k)	The Purchaser is: <u>the Non-residential Borrower in Palau named</u>														
GCC 1.1 (q)	The Site is: _____														
GCC 4.2 (b)	The version of Incoterms shall be: <u>2020</u>														
GCC 5.1	The language shall be: <u>English</u> The language for translation of supporting documents and printed literature is: English														
GCC 8.1	For <u>notices</u> , the Purchaser's address shall be: Attention: _____ Street address: _____ Floor/ Room number: _____ City: _____ ZIP code: _____ Country: _____ Telephone: _____ E-mail: _____														
GCC 9.1	The governing law shall be: <u>Palau</u>														
GCC 10.2	The formal mechanism for the resolution of disputes shall be: in accordance with the rules of the <u>Republic of Palau</u> . Place of arbitration: <u>Palau</u>														
GCC 11.1	The Scope of Supply shall be defined as follows: 1. Supply, delivery, installation and end-user training of the Goods Item/s specified in the following table: <table border="1" data-bbox="435 1696 1393 1837"> <thead> <tr> <th>Item No</th> <th>Item Description</th> <th>Unit</th> <th>Quantity</th> <th>DDP Unit</th> <th>Total Amount</th> <th>Delivery Schedule</th> </tr> </thead> <tbody> <tr> <td>.</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Item No	Item Description	Unit	Quantity	DDP Unit	Total Amount	Delivery Schedule	.						
Item No	Item Description	Unit	Quantity	DDP Unit	Total Amount	Delivery Schedule									
.															

					Rat e*		
	1						
	<p>* Unit rate includes insurance, loading and unloading, delivery to the specified destination, installation, end-user training and warranty, and shall be the same as specified in the Contract</p> <ul style="list-style-type: none"> twice-a-year maintenance visits with fixed unit prices for each visit for the duration of 15 years from the date of contract signature <p>The accepted unit rates indicated in the contract are firm and fixed and not subject to any adjustment during the above mentioned contract period.</p>						
GCC 12.1	Not applicable						
GCC 15.2	Not applicable						
GCC 16.1	<p>Payment shall be made against each Order in the following manner:</p> <ol style="list-style-type: none"> 100% of cost of the installed equipment paid within 30 days upon completion of installation. Maintenance services will be paid for on the actual completed visits paid within 30 days upon submission of invoice and certification of the visit by the equipment user. 						
GCC 16.4	The currencies for payments shall be: <u>USD</u>						
GCC 18.1	The Supplier shall provide a Performance Security of 5% of amount of each order with the duration of 2 years. The Performance Security shall be denominated in the following currency: <u>USD</u>						
GCC 18.3	The forms of acceptable Performance Security are: demand guarantee						
GCC 18.4	Discharge of the Performance Security shall take place: <u>1 year after completion of installation</u>						
GCC 23.2	The packing, marking, and documentation within and outside the packages shall be made to prevent their damage or deterioration during transit to their specified destination.						

GCC 24.1	The insurance coverage shall be <u>the responsibility of the Supplier up to the place and time of equipment installation.</u>
GCC 25.1	Obligations for transportation of the Goods shall be in accordance with: <u>Incoterms DDP place of installation</u> There is no customs duty and/or GST on items imported under this contract.
GCC 26.2	Tests and Inspections shall be carried out as specified in Section 6 (Schedule of Supply),
GCC 27.1	The applicable rate for liquidated damages for delay shall be: 0.1 % of the value of the delayed goods per week or part thereof
GCC 27.1	The maximum amount of liquidated damages shall be: <u>10%</u>
GCC 28.3	The period of validity of the Warranty shall be: <u>as defined in the Technical Specifications</u> The place of final destination shall be: place of installation
GCC 28.5	The Supplier shall correct any defects covered by the Warranty within 20 working days of being notified by the Purchaser of the occurrence of such defects.
GCC 30.1 (b)	The amount of aggregate liability shall be: <u>one time the contract value</u>

Section 9: Contract Forms

Table of Forms

Notice of Intention for Award of Contract	9-99
Notification of Award	9-3
Contract Agreement	9-4
Performance Security	9-6
Attestation Letter	
Order Form	

Notice of Intention for Prequalification

PALAU PUBLIC UTILITIES CORPORATION

[date of notification]

To: [name of the Applicant]
 Attention: [insert name of the Applicant's authorized representative]
 Address: [insert address of the Applicant's authorized representative]
 Telephone/Fax numbers: [insert telephone/fax numbers of the Applicant's authorized representative]
 E-mail Address: [insert e-mail address of the Applicant's authorized representative]

This is to notify you of our intention to prequalify you for the contract [insert name of the contract and identification number, as given in the Application Data Sheet]. You have [insert number of days as specified in ITA 42.1 of the ADS] days from the date of this notification to (i) request for a debriefing in relation to the evaluation of your application; and/or (ii) submit a bidding-related complaint in relation to the intention for award of contract, in accordance with the procedures specified in ITA 48.1.

The summary of the evaluation are as follows:

1. List of Applicants

Name of Applicant	Application Price as Read Out at Opening	Evaluated Application Price

2. Reason/s Why Your Application Was Unsuccessful

.....

3. The Shortlisted Applicants

Name of Applicant:	
Address:	

Authorized Signature:
Name and Title of Signatory:
Name of Agency:

Notification of Shortlisting

[on letterhead of the Purchaser]

[date]

To: [name and address of the supplier]

Subject: Contract No. [please specify]

This is to notify you that your Application dated [date] for execution of the [name of the contract and identification number, as given in the Application Data Sheet] Applicants hereby accepted by our Agency and you have prequalified for supply of PV systems to the Non-residential Borrowers in Palau.

Authorized Signature:

Name and Title of Signatory:

Name of Agency:

Performance Security

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

Beneficiary: [Name and address of the Purchaser]

Date:[Insert date (as day, month, and year)]

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]¹³ [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],¹⁴ 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 (URDG) 2010 Revisions, ICC Publication No. 758, except that the supporting statement under Article 15(a) is hereby excluded.¹⁵

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

-- Note to Bidder Applicant --

If the bank issuing performance security is located outside the Purchaser's country, it shall be counter-guaranteed or encashable by a bank in the Purchaser's country.

¹³ The guarantor shall insert an amount representing the percentage of the contract price specified in the contract and denominated either in the currency(ies) of the contract or in any freely convertible currency acceptable to the Purchaser.

¹⁴ Insert the date 28 days after the expected completion date. The Purchaser should note that in the event of an extension of the time for completion of the contract, the Purchaser would need to request an extension of this guarantee from the guarantor. Such request must be in writing and must be made prior to the expiration date established in the guarantee. In preparing this guarantee, the Purchaser might consider adding the following text to the form, at the end of the penultimate paragraph: "The Guarantor agrees to a one-time extension of this guarantee for a period not to exceed [six months] [one year], in response to the Purchaser's written request for such extension, such request to be presented to the Guarantor before the expiry of the guarantee."

¹⁵ Or the purchaser may use "Uniform Rules for Demand Guarantees (URDG), ICC Publication No. 458 except that subparagraph (ii) of Sub-article 20(a) is hereby excluded" as appropriate.

Attestation Letter

Date:

To: Palau Public Utilities Corporation

We, the undersigned, acknowledge that ADB will not finance activities listed on the prohibited investment activities list, under Appendix 5 of its Safeguard Policy Statement (2009), which includes, among others, production or activities involving forced labor¹⁶ or child labor¹⁷.

After duly considering the above policy and commitment of ADB, and the obligation and commitment of the [FI] to comply with ADB's policy requirements, we have conducted due diligence on the works, goods and services, and related materials and products to be used in the solar PV systems for the Non-residential Borrowers in Palau ("Project"), and following such due diligence:

we attest and represent that (i) to the best of our knowledge, we are not using (and we have not used, and we will not use) works, goods and services, and related materials and products in the Project, where the production and supply of such products used forced labor or child labor; (ii) we adhere to labor legislation of the Purchaser's country; and (iii) to the best of our knowledge, the works, goods and services, and related materials and products to be procured and/or supplied by us for the Project do not involve production or activities involving the use of forced labor or child labor;

we attest and represent that our subcontractors, manufacturers and suppliers have confirmed to us separately that to their knowledge, after due enquiry and diligence, the offered works, goods and services, and related materials and products do not involve production or activities involving the use of forced labor or child labor;

we confirm that (i) we shall monitor the works, goods and services, and related materials and products provided by us on an ongoing basis, (ii) require our subcontractors, suppliers or manufacturers to immediately notify to us any incidents of forced labor or child labor, and if new risks or incidents of forced labor or child labor are identified, (iii) we commit to promptly inform you, if we receive information that the representation in (a) is false and of any new risks or incidents of forced labor or child labor in the production or activities for the offered works, goods and services, and related materials and products used in the Project, and to take appropriate steps to remedy them;

we agree that a breach and misrepresentation of (a), (b), or (c) above [is sufficient ground for bid rejection and] *may give the /Purchaser the right to terminate the contract with us.

Sincerely,

Authorized Signature [In full and initials]:

Name and Title of Signatory:

Address:

¹⁶ Forced labor means all work or services not voluntarily performed, that is, extracted from individuals under threat of force or penalty.

¹⁷ Child labor means the employment of children whose age is below the host country's statutory minimum age of employment or employment of children in contravention of International Labor Organization Convention No. 138 "Minimum Age Convention" (www.ilo.org).

ORDER FORM

[use letterhead paper of the Purchaser, when issuing an Order]

[date]

To:

Contract Reference Number:

Year:

Order Number: _____

In pursuance of our Contract No. _____, dated _____, 2025, this is to request you to supply and deliver the following Goods Item/s, in accordance with the said Contract, the attached Schedule of Rates and Delivery Schedule, and Terms specified below:

Terms

2. Payments will be made in accordance with Clause GCC 16.1 of the Contract.

Please confirm acceptance of this Order within three (3) days of receipt of this Order.

Authorized Signature:

Name and Title of Signatory: