

## **INVITATION TO QUOTE**

**FOR SMALL WORKS  
(under 5milon Leks)**

**a - INVITATION TO QUOTE**  
**CONTRACT FOR SMALL WORKS**  
**(UNDER 5.000.000 LEKE)**

To: \_\_\_\_\_  
(name and address of the company)

1. \_\_\_\_\_ has received a fund  
(name of procuring entity)  
\_\_\_\_\_ allocated by  
(amount in figures and words, currency)  
\_\_\_\_\_ and intends to perform \_\_\_\_\_  
(source of fund) (name of the project)

2. You are invited to submit your quotation for \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(brief description of the work to be performed)

3. You can find attached a full set of documents to be used for the preparation of this quotation (including drawings, technical specifications, bill of quantities, bid form).

4. Bids shall be submitted in sealed envelopes in \_\_\_\_\_  
(address of procuring entity)  
\_\_\_\_\_ at \_\_\_\_\_.  
receiving office) (time and date of bid closing)

5. Bid shall be valid for a period of 30 days after \_\_\_\_\_.  
(bid submission date)

6 In case of withdrawal of the bid during the bid validity period and/or refuse of contract award the bidder shall be rejected from the list of contractors for one year period.

Chairman of Procuring Entity

\_\_\_\_\_  
(name, signature, seal)

## **b - INSTRUCTIONS TO BIDDERS.**

1. **Scope of Bid.** The Procuring Entity invites bids for the construction of works as specified in Contract Data. The successful Bidder will be expected to complete work by the intended Completion Date specified in the Contract Data.

2. **Site visit.** The Bidder, at the Bidder's own responsibility and risk, is encouraged to visit the Site of Works and obtain all information necessary for preparing the Bid and entering into a contract with the procuring entity.

3. **Content of Bidding Documents.** The set of bidding documents comprises the documents listed below:

- a) Invitation to Quote
- b) Instructions to Bidders
- c) Conditions of Contract
- d) Qualification documents
- e) Drawings
- f) Technical specifications
- g) Bill of Quantities
- h) Quotation Form
- i) Contract Form
- k) Bid Security Form

4. **Documents Comprising the Bid.** The Bid submitted by the Bidder shall comprise the following documents:

- a) Qualification Documents
- b) Bid Security
- c) Quotation
- d) Priced Bill of Quantities.

5. **Quotation.** The Quotation means the Contract Price, given in the quotation form, signed by the bidder. The Contract Price will be based on Bill of Quantities submitted by the Bidder which shall fill in prices for all items of the Works given in the bidding package by the procuring entity. Items for which no price is entered by the Bidder will not be paid for by the Employer when executed and shall be deemed covered by the other prices in the Bill of Quantities. The Bidder shall include in the Contract Price all taxes and duties (payable 7 days prior to the bid submission) and other additional items given in the Bill of Quantities. Bid Prices are fixed and shall not be subject to further adjustment during the performance of the contract.

**6. Bid validity.** Bids shall remain valid for a period of 30 days from the bid submission date. The procuring entity may request that the bidders extend the bid validity for a specified period. A bidder may refuse the request in which case he may withdrawal the bid without any penalty.

**7. Bill of Quantities.** The Bidder shall fill in prices for all items of the Works given by the Employer. The total value of all items forms the Bill of Quantities, part of proposal documentation.

**8. Place and deadline for submission of the bids.** Bids shall be delivered at

\_\_\_\_\_ (full name and address of the employer)  
not later then \_\_\_\_\_.  
(date, time)

**9. Modification and withdrawal of bids.** No bid shall be modified after the deadline for submission of bid, as prescribed in point 8. Withdrawal of a bid between the deadline and the expiration of the period of bid validity, as specified in point 6, will result in the forfeit of the bid security by the procuring entity.

**10. Process to be confidential.** Information relating to the examination, clarification, evaluation and comparison of bids shall not be disclosed until the award to the successful bidder has been announced.

**11. Evaluation and comparison of bids.** The Employer will award the contract to the bidder, whose bid has been determined to be substantially responsive to the bidding documents and who has offered the lowest evaluated bid price. In evaluating the bids the Employer will determine the bid evaluated price as follows:

(a) Arithmetical errors will be corrected by the Employer as follows:

(1) where there is any discrepancy between the price in figures and in words, the price in words will govern;

(2) where there is a discrepancy between the unit price and the line item resulting from multiplying the unit price and the quantity, the unit price as quoted will govern;

(3) if provisional sum for contingencies, specified in bidding documents, is not calculated in the total value of the bill of quantities, this will be considered as an arithmetical error and will be added to the total value;

(4) if a bidder refuses to accept the correction, the Employer will reject his bid and forfeit his bid security.

(b) Additional items not specified in bidding documents, will be excluded from the bill of quantities.

**12. Employer's right to reject all bids.** The Employer reserves the right to reject all bids and to cancel the bidding process at any time prior to the award of contract, without any obligation to inform the bidders of the grounds for the Employer's action.

**13. Notification of award and signing of agreement.** The bidder whose bid has been accepted will be notified of the award of the contract by the Employer prior to expiration of the bid validity period by a registered letter. This letter (hereinafter called "Letter of Acceptance") will state the sum (hereinafter called "Contract Price") that Employer will pay the contractor in consideration of the execution, completion and maintenance of the works as prescribed by the contract. The "Letter of Acceptance" will constitute the formation of the contract.

**14. Advance payment.** The Employer will provide an advance payment as prescribed in the article 15 in the conditions of contract

## **c - CONDITIONS OF CONTRACT**

### **1. Definitions.**

a) **Bill of Quantities** means the list of items completed with unit prices, forming part of the bid.

b) The **Completion Date** is the date of completion of the works defined by the Employer.

c) A **Defect** is any part of the works not completed in accordance with the contract.

d) The **Defect Liability Period** is \_\_\_\_\_ days calculated for the completion date.

e) The **Project Manager** is the person appointed by the Employer who is responsible for supervising the execution of works and administrating the contract.

f) The **Required Completion Date** is the date on which it is required that the contractor shall complete the works. The required completion date is \_\_\_\_\_days. The required completion date may be revised only by the Employer by issuing an extension of time or an acceleration order.

g) The **Site** is allocated at \_\_\_\_\_.

h) The **Start Date** is \_\_\_\_\_, the date when the contractor shall commence execution of the works.

i) A **Variation** is an instruction given by the Employer which varies the original works requirement.

**2. Language and Law.** The contract will be prepared in Albanian language and the law governing the contract will be albanian law.

**3. Communications.** Communication between parties shall be effective only when in writing.

**4. Contractor's Risks.** From the starting date until defects correction certificate has been issued, all risks of personal injury: death, loss or damage to property and materials allocated in the site(including, without limitation, the works, materials and equipment) are contractor's risks.

**5. Works to be completed by the Completion Date.** The contractor may commence execution of the works on the start date and shall perform the works in accordance with the program submitted by the contractor, as updated with the approval of the project manager, and complete them by the required completion date.

**6. Safety.** The contractor shall be responsible for the safety of all activities on the site.

**7. Extension of the Completion Date.** The project manager shall extend the completion date if a variation order is issued which makes it impossible for completion to be achieved by the required completion date and which would cause additional costs to the contractor.

**8. Delays ordered by the Project Manager.** The project manager may instruct the contractor to delay the start or progress of any activity within the works. The contractor shall not be penalised by the Employer for These delays and suspensions shall not be subject on any penalisation of the contractor by the employer.

**9. Defects.** The project manager shall give notice to the contractor of any possible defect before the end of defect liability period, which begins at completion of works. The defect liability period shall be extended for as long as defects remain to be corrected. Every time notice of a defect is given, the contractor shall correct the notified defect within the length of time specified by the project manager's notice. If the contractor has not corrected a defect within the abovementioned time, the project manager will assess 50% the cost of having the defect corrected and the contractor shall pay this amount, or the procuring entity shall recuperate these amuonts by deduction from the amounts due to the contractor.

**10. Bill of Quantities.** The Bill of Quantities shall contain items for the construction, installation, testing to be done by the contractor. The Bill of Quantities is used to calculate the contract price. The contractor is paid for the quantity of the work actually done in conformity of the activities' schedule at the rate in the Bill of Quantities for each item.

**11. Changes in the Quantities.** If the final quantity of the work done differs from the quantity in the bill of quantities not exceeding the provisional sum for contingencies, the project manager shall adjust the rate to allow for the change.

**12. Performance security.** The contractor shall submit to the procuring entity a performance security for the amount 10% of contract price, in conformity with the performance security form.

**13. Advance payment.** The procuring entity shall make to the contractor an advance payment for 10% of the contract price (not exceeding the amount of performance security) after the contractor has delivered to the site construction equipment for initiating the work. The contractor is to use the advance payment to pay for the materials and other expenses required for carrying out the works. The advance payment shall be repaid by deducting proportionate amounts from payments otherwise due to the contractor to be recovered within one half of the completion period.

**14. Payment certificates.** The contractor shall submit to the project manager monthly statements of the estimated value of the work executed less the percentage of the advance payment and defects guarantee. The project manager shall check the contractor's executed work and certify the amount to be paid to the contractor, within 20 days from the date of certificate submission. The value of work executed shall comprise the value of the quantities of the items in the bill of quantities completed. Items of the works for which no rate or price has been entered in will not be paid for by the employer and shall be deemed covered by other rates and prices in the contract.

**15. Payments.** The procuring entity shall pay the contractor within 8 days of the date of payment certificate. If the procuring entity makes a late payment, the contractor shall be paid interest on the late payment at the rate 0.1% of the value of late payment for each day of delay.

**16. Taxes.** The contractor is liable to pay all taxes in accordance with the Albanian law.

**17. Completion and taking over.** The contractor shall present to the project manager, after completion of the works, the certificate and the project manager will submit such a certificate to the procuring entity after he determines that the work is satisfactorily completed. If the procuring entity determines that the works are not correctly completed shall issue within 15 days a schedule that states the scope of the necessary corrections or additions. After completion of



the above mentioned corrections and additions, the procuring entity shall issue the defects liability certificate and discharge the performance security.

**18. Termination.** The procuring entity or the contractor may terminate the contract if the other party causes a fundamental breach of the contract. Fundamental breaches of the contract shall include, but shall not be limited to the following:

(a) the contractor stops the work for 15 days when the stoppage has not been authorised by the project manager;

(b) a payment certified by the project manager is not paid by the procuring entity to the contractor within 30 days of the date of the project manager's certificate;

(c) the project manager gives notice that the contractor fails to correct a defect within 30 days determined by the project manager;

(d) the contractor delays the completion of the works more than 30 days from the date defined in the contract data.

If the termination of contract is caused by the contractor, the procuring entity shall retain the amount of the contractor's performance security.

**19. Payment upon termination.** If the contract is terminated because of a fundamental breach of the contract by the contractor, the project manager shall issue a certificate for the value of the work done and materials ordered less advance payments received up to the date of the issue of the certificate and less the amount destined for the defects' correction, if necessary.

**20. Property.** All the completed works shall be deemed to be the property of the procuring entity in case of contract termination.

**21. Resolution of disputes.** The procuring entity and the contractor shall make every effort to resolve amicably by direct informal negotiation any disagreement or dispute arising between them in connection with the contract. In case of further disagreement either party can take the matter to arbitration in accordance with the law governing the contract. The arbitration will take place in the Court of the District of \_\_\_\_\_.

## **h - Quotation Form.**

\_\_\_\_\_  
( date)

To: \_\_\_\_\_  
(name of the procuring entity)

Address \_\_\_\_\_  
(full address of the procuring entity)

We offer to execute the \_\_\_\_\_ (*name and identification number of the contract*) in accordance with the conditions of contract accompanying this bid for the contract price of \_\_\_\_\_ (*amount in numbers and words*) \_\_\_\_\_ (name of currency).

The bid and the written acceptance of it shall constitute a binding contract between us.

We hereby confirm that this bid complies with the bid validity required by the bidding documents.

Authorised signature:

\_\_\_\_\_  
Name and title of signatory:

\_\_\_\_\_  
Name of bidder:

\_\_\_\_\_  
Address:

\_\_\_\_\_

## **d - QUALIFICATIONS DOCUMENTS**

## **e - DRAWINGS**

## **f - TECHNICAL SPECIFICATIONS**

## **g - BILL OF QUANTITIES**

## **i - CONTRACT FORM**

This agreement, made the \_\_\_\_\_ date \_\_\_\_\_ 199\_, between

\_\_\_\_\_  
(name and address of the procuring entity) and

\_\_\_\_\_  
(name and address of the contractor) of the other part.

Whereas the procuring entity is desirous that the contractor execute

\_\_\_\_\_  
(name and identification number of the contract) for the amount \_\_\_\_\_

(contract price in figures and words) in \_\_\_\_\_ (currency) and the procuring entity has accepted the bid by the contractor for the execution and completion of such works and the remedying of any defects therein.

The parties agree as follows:

1. In this contract form, words and expressions shall have the same meanings as are respectively assigned to them in the conditions of contract, hereinafter referred to, and they shall be deemed as a part of this contract form.

2. In considerations of the payments to be made by the procuring entity to the contractor, the contractor hereby covenants the procuring entity to execute and complete the works and remedy any defects therein in conformity in all respects with the provisions of the contract.

3. The procuring entity hereby covenants to pay the contractor in consideration of the execution of the works and the remedying of defects wherein the contract price at the times and in the manner prescribed by the contract.

In witness whereof the parties thereto have caused this agreement to be executed the day and the year first before written.

Binding signature of procuring entity \_\_\_\_\_ (seal)

Biding signature of contractor \_\_\_\_\_ (seal)

## **PERFORMANCE SECURITY FORM**

(Bank Guarantee)

No. \_\_\_\_\_ Ref.

\_\_\_\_\_ (Date)

To: \_\_\_\_\_  
(*Name and address of procuring entity*)

Whereas \_\_\_\_\_ (name of contractor)  
undertakes, in pursuance of the contract nr.\_\_\_\_, to execute the works of  
\_\_\_\_\_ (name of  
contract and brief description of the works);

Whereas in the said contract is required a bank guarantee for the sum specified therein as security for compliance with his obligations in accordance with the contract;

Whereas \_\_\_\_\_ (*name and address of the bank*) has agreed to issue this guarantee;

We hereby affirm that we are the guarantor of this contract up to a total of \_\_\_\_\_ (*amount of guarantee in figures and words*), such sum being payable according to the manner and the currency as prescribed in the contract. We undertake to pay you, upon your first written demand and without your needing to give the reasons of your demand, any sum within the limits of \_\_\_\_\_ (*amount of guarantee*).

We hereby waive the necessity of your demanding the said debt from the contractor before presenting us with the demand.

We further agree that no addition or change of the terms of the contract which may be made between you and the contractor, shall release us from any liability under this guarantee.

This guarantee shall be valid until a date 30 days from the date of issue of the taking over certificate .

\_\_\_\_\_  
(*signature and seal of the guarantor*)

Name and address of the bank  
Date



**k - BID SECURITY FORM**  
**(BANK GUARANTEE)**

We \_\_\_\_\_ (*name of the bank*) certify by the present  
that \_\_\_\_\_ (*name of bidder*) has  
deposited at \_\_\_\_\_ (*name and address of the bank*) the amount  
\_\_\_\_\_  
(*in figures and words,* ) as security of the bid presented in the tender  
\_\_\_\_\_ (*name of contract*).

We undertake to pay \_\_\_\_\_ (*name of procuring entity*)  
this amount of the bank guarantee in the following conditions:

- (1) if the bidder withdraws his bid during the period of bid validity;
- (2) if the bidder, having been notified of the acceptance of his bid, refuses to accept the award of the contract;
- (3) if the bidder refuses to furnish the performance security;

upon receipt of procuring entity's written demand, without having to substantiate his demand, provided that the amount claimed by the procuring entity is due to him owing to the occurrence of one of the three abovementioned conditions.

This guarantee will remain in force up to and including the date 30 days after the expiration of the bid validity period.

\_\_\_\_\_  
(Signature and seal of the bank)