REQUEST FOR CLARIFICATION

Tender No. IESCO/MM/Goods/ICB-01/2026-27

Procurement of 15 kV XLPE Power Cable 240mm² 500 MCM S/C (Unarmored)

Subject: Clarification regarding Payment Terms, Price Schedule, Customs Duties/Taxes for Foreign Manufacturer

Dear Sir,

With reference to the above-mentioned tender, we intend to participate as a Foreign Manufacturer through our authorized Local Agent in Pakistan. Upon detailed examination of the bidding documents, certain provisions relating to payment, pricing, import duties/taxes, delivery terms and domestic preference require clarification to enable us to submit its financial proposal.

We respectfully request clarification on the following:

1. Contradiction regarding LC payment against Bill of Lading and payment against GRN

Relevant provisions:

- **SCC Clause 6, Page 155;**
- **SCC Clause 20, Pages 163–164**

SCC Clause 6 states that "**Letter of Credit is to be opened by the Foreign Bidder within 14 days from signing of the Contract for payment upon submission of Bill of Lading and other documents**."

However, SCC Clause 20 states that payment for goods supplied from abroad through LC shall be made against, **Delivery Challan and ERP-generated GRN duly stamped and signed by the consignee**, Custom Clearance Certificate and a certificate confirming that the material has been taken into stock.

A **Bill of Lading** is generated upon shipment, whereas the **ERP GRN and stock receipt certificate** are generated only after arrival and acceptance of the goods at IESCO.

Kindly clarify whether payment under the LC is intended to be made:

a. Will it be LC at Sight? Against shipment documents including the Bill of Lading; **OR**
b. After delivery of goods to IESCO and issuance of GRN.

If payment is intended against shipment documents, kindly specify the exact documents and percentage of payment available for negotiation under the LC.

2. Contradiction regarding treatment of GST in the Foreign Bid Price

Relevant provisions:

- **BDS Clause 3, Page 150;**
- **Foreign Goods Price Schedule, Page 180**

BDS Clause 3 states that the Foreign Bidder shall quote:

"CIP Karachi Port Excluding taxes & duties & GST"

And further states that **taxes, duties and GST shall be reimbursed upon submission of the original invoice.**

However, the **Foreign Goods Price Schedule** on Page 180 states:

"CIP Price is excluding all taxes and duties except of GST"

The two provisions appear inconsistent regarding whether **GST is included or excluded from the quoted CIP price**.

Kindly clarify whether GST is:

a) excluded from the bid price and reimbursed separately; or
b) included in the quoted CIP price.

3. CIP Karachi Port versus CIP IESCO Regional Store Islamabad

Relevant provisions:

- **Schedule of Requirements, Page 144;**
- **Foreign Goods Price Schedule, Page 180**

The Schedule of Requirements states that, for goods originating outside the purchaser's country, delivery shall be:

"At CIP up to IESCO Regional Stores, Islamabad."

However, the Foreign Price Schedule requires the bidder to quote:

- Unit rate on **CIP up to Karachi Port**; and
- Separate inland transportation, loading/unloading etc. up to IESCO Regional Store Islamabad.

Kindly clarify which delivery term shall govern the financial evaluation:

1- CIP Karachi Port + separately quoted inland transportation,
or

2- CIP IESCO Regional Store Islamabad.

4. Responsibility for customs clearance and payment of import duties/taxes

Relevant provisions:

- **BDS Clause 3, Page 150;**
- **SCC Clause 20, Page 163**

BDS Clause 3 states that taxes and duties for foreign goods shall be reimbursed, while SCC Clause 20 requires submission of a **Custom Clearance Certificate** as a payment document.

However, the bidding documents do not clearly identify who shall be responsible for:

- customs clearance;
- acting as importer/consignee;
- payment of customs duties;
- payment of import taxes/GST; and
- **Kindly clarify whether customs clearance shall be undertaken by IESCO or by the Foreign Supplier/Local Agent and who shall initially bear the applicable customs duties, taxes and GST.**

If these amounts are to be paid by the Foreign Supplier and subsequently reimbursed by IESCO, kindly specify the **reimbursement procedure and timeframe**.

5. Basis for calculation of domestic preference / "CIP landed cost"

Relevant provision:

- **Evaluation Criteria Clause 1.2(c), Page 141**

Clause 1.2(c) states that, for further comparison, the applicable percentage of price preference shall be added to the evaluated price offered in the **Group B CIP landed cost**.

However, the Foreign Price Schedule separates the CIP Karachi price from inland transportation and excludes taxes/duties.

Kindly clarify what constitutes "CIP landed cost" for the purpose of domestic preference calculation, specifically whether it includes:

1. CIP Karachi Port price;
2. customs duties;
3. import taxes;
4. GST;

5. inland transportation from Karachi to Islamabad;
6. loading/unloading and other incidental charges; and
7. any other applicable charges.

6. Fixed-price provision and reimbursement of taxes/duties

Relevant provisions:

- **BDS Clauses 3 & 4, Page 150**

BDS Clause 3 provides for reimbursement of taxes/duties/GST for foreign goods, while BDS Clause 4 states that prices shall remain fixed during the currency of the contract and that the bidder shall assess all risks before quoting.

Kindly clarify that any change in statutory customs duties/taxes/GST occurring after submission of the bid shall be dealt with through the stated reimbursement mechanism and shall not be considered part of the Foreign Bidder's fixed CIP price.

In view of the above, we respectfully request IESCO to issue the necessary clarification through EPADS before the bid submission deadline, particularly concerning:

1. LC opening and negotiation mechanism – LC at Sight?;
2. Bill of Lading versus GRN as payment documents;
3. Quoted Price to be CIF Karachi or including all taxes and duties including GST.
4. GST treatment in the Foreign Price Schedule;
5. Customs clearance responsibility;
6. Responsibility for payment and reimbursement of import duties/taxes;
7. Applicable Incoterm and delivery point;
8. Definition and calculation of CIP landed cost;

We shall be grateful for your clarification before submission of the financial proposal.