



**Instructions to Bidders**  
**And**  
**General conditions for the Purchase Order**

- Buyer:** Waha Oil Company (WOC)
- Supplier:** The Company or organization to whom the enquiry is sent or with whom the purchase order is placed.
- Inspector:** The Third party Inspectorate assigned by the Buyer

The following is an invitation to quote for Waha Oil Company (WOC) purchase of materials and equipments (goods). Failure to abide by the following tender conditions will result in your bid being rejected.

**Quotations:**

1. Your quotation must state our inquiry reference number.
2. The following details should be clearly shown in the first page of your bid:
  - a. Your full company name
  - b. Currency
  - c. Total value
  - d. Payment terms
  - e. Delivery point
  - f. Validity
  - g. Lead time
  - h. State whether your offer is complete or partial
3. Quotation must have minimum 120 days validity from bid closing date.
4. Bidder shall quote his best delivery date. Early delivery date quoted shall be significantly weighted during technical and commercial evaluation of bids.
5. Shipping weights and number of boxes, crate, bundles etc. must be quoted.
6. Quotation must show line item prices, unit of measure, line item quantity extended price, and total value for all items.
7. Euro is the preferred currency.
8. Quotation must be for new and genuine brand OEM material. Replicated, repaired or re-engineered materials or non-brand materials bought directly from OEM or Sub-contractors are not acceptable. Failure to give this information may result in your bid being rejected. If such goods are not replaced immediately, reimbursement to WOC of the full amount will be applied and bidder will be fined. WOC may, in the event of an order, require a certificate of conformity from the manufacturer. Please confirm you can comply.
9. Origin of materials should be clearly stated.
10. Best price quotation must be received by dead line < on Bid closing day >.

## **General conditions for the Purchase Order**

Waha Oil Company (WOC) (hereinafter "Buyer") issues purchase orders to suppliers (hereinafter "Supplier") of all kinds of goods (hereinafter "Purchase Orders") and under these "General Conditions for Purchase Orders" Contracts are concluded between Buyer and Supplier. Supplier agrees that all declarations in connection with the contracts between Buyer and Supplier can be made by Buyer. These conditions supersede and replace any supplier's terms and are a binding part of the Purchase Order and/or supplement thereto. All terms and conditions in or attached to Supplier's quotation are hereby expressly declared void. In case of contradictions the following sequence as to the contents of the Purchase Order is valid:

- The wording of the Purchase Order
- The wording of the Negotiation Protocol
- The specified scope of work in all details (may be "Purchase Order Requisition")
- The technical specification (if any)
- These "General Conditions for Purchase Orders" and the "Expediting & Forwarding Instructions".

### Confirmation of Purchase Order:

All Purchase Orders and amendments thereto must be confirmed within ten (10) days after receipt by Supplier and the legally signed Purchase Order confirmation form returned. All deviations shall be specified in a separate letter.

### Scope of supply and performance and passing of risk:

Supplier shall take into consideration all official and legal descriptions and regulations for the material to be supplied. The material has to be manufactured according to the latest state of technology. Supplier is obliged to inform Buyer about contradictions between descriptions and regulations mentioned above and the specifications of the Purchase Order, indicating alternatives in writing. Supplier agrees to accept Purchase Orders for spare parts and to deliver those according to the conditions of that Purchase Order.

Should any details on one document forming part of the order be omitted on any other, Supplier shall be obliged to supply the subject details and shall be deemed to have included them in his price. If materials are bought to sample, Supplier shall conform with the sample.

All materials supplied to this order shall conform to standards and specifications. Materials shall be of suitable design, workmanship and be fit for the particular use for which Buyer purchases them.

Unless otherwise indicated in the Purchase Order, the place of performance for all supplies shall be the place to which Supplier has to dispatch all materials and/or equipment according to the instructions issued by Buyer. The date of performance shall be the date on which the materials and/or equipment arrive at the place of performance.

The risk of damage to or loss of the materials and/or the equipment shall pass from Supplier to Buyer at the moment performance is completed.

Shipment of any part of the material or performance of any part of the services specified in the Order shall constitute acceptance by Supplier of all provisions of the Order without reservation, whether or not the formal acknowledgement has been signed and returned to Buyer.

### **Applicable Law:**

The Purchase Order shall be deemed to be a contract of the country in which it is issued and shall be governed and interpreted in accordance with the laws of that country. The Supplier, however, agrees that no law, custom or other restriction shall inhibit Buyer's right to commence legal action on account of defects or non-conformity of the material or breaches of warranty or contract by Supplier.

**Delivery:**

Supplier shall strictly comply with the delivery according to the delivery schedule agreed upon between the parties. Total package under the terms of Purchase Order shall be dispatched in one shipment. Notwithstanding, Buyer reserves the right to request advanced partial shipment of items that Buyer deems urgently required, and Supplier shall accommodate this request accordingly.

Should the materials, for reasons ascribable solely to Supplier, not be delivered whole, complete and/or of specified quality as instructed in the order, Buyer shall have the right to require the completion and/or the removal of the defects which shall be made by Supplier in the shortest achievable time. Should Supplier fail to fulfill all corrective actions in the agreed time - after the expiration of an extension period granted by Buyer - Buyer is entitled to withdraw from the contract in total or part and to reclaim advance payments. Furthermore the right is reserved to charge any damages expenses and other costs caused by this withdrawal to Supplier. Buyer shall be under no obligation to pay any charge or damage for the withdrawal. Any balance of money due to Supplier for the part of the order properly fulfilled shall be instead remitted.

Buyer is entitled to assert any penalty agreed upon until performance of the final payment.

The title to and risk of damage or loss of materials sold under the order shall not pass to Buyer until such materials have been delivered to the delivery point specified in the order. Supplier shall not insure any materials for Buyer's account without the express written instructions of Buyer.

**Liquidated damages:**

Liquidated damages shall be applied for all quotations. Any resulting order will be subject to liquidated damages clause of one percent (1%) of the total order value per week or part week to a maximum of ten percent (10%) of the total order value. The clause will come into effect on the day following the agreed upon delivery date

**Penalty:**

Deduction of any penalty agreed upon is at the discretion of Buyer and shall not relieve Supplier from his contractual obligations.

**Invoicing:**

Invoices shall be made out in English language strictly in accordance with the Purchase Order and must indicate the Purchase Order No., and date of the Purchase Order. They shall be sent irrespective of the place of destination of the material concerned - to the address specified in the Purchase Order.

- All original invoices must be endorsed with an original signature. Facsimile signatures are not acceptable.
- Invoices must state original manufacturer & country of origin for each line item. Failure to give this information may result in your invoice being rejected.
- All invoices must bear the following declaration “We hereby certify that this invoice is true and correct and the materials charged herein were manufactured by: “(Insert full name and address of Manufacturer)”.
- All invoices must show the gross and net weight of the packed unit included in the invoice.

Any invoice not meeting these requirements will be returned to Supplier for completion. Costs in connection with delayed payment resulting from such incompleteness are for the account of Supplier.

**Terms of Payment:**

Buyer shall make all payments in Euro. Unless otherwise is specified in the Purchase Order, payment shall be within 30 days net, counted as from receipt of shipping documents, auditable invoice(s) as well as other documents and certificates as required in the Purchase Order. Advance and/or partial payments shall only be if so specified in the Purchase Order. The right is reserved to request a bank guarantee at Supplier's expense. Advance or partial payments will only be effected on the basis of a particular written payment request. Supplier is not authorized to transfer his rights resulting from a Purchase order to third parties without the written approval of Buyer. Buyer will retain 10% of retention money until expiry of warranty

**Prices:**

Prices shall be firm and fixed, No extra charges shall be allowed over the price shown on the Purchase Order unless authorized by a written Purchase Order amendment.

Prices as specified in the order shall be considered to be the total price and to include all taxes imposed by law upon the Supplier. Supplier should provide a cost breakdown of lump sum prices. The Supplier guarantees that prices quoted to Buyer are in accordance with any applicable price regulations. Buyer reserves the right to calculate any stipulated discount periods from the date of receipt of material or from the date of receipt by Buyer of properly supported and executed invoices, whichever date is later.

**Deviation:**

All deviations must be clearly defined. No increased or reduced supplies and/or deviations from any of the terms of the Purchase Order, Buyer's specifications or Buyer approved drawings / data sheets etc, shall be accepted without Buyer written approval, prior to equipment release and shipment.

Further, Supplier is not allowed to supply any substitute materials without prior written approval from Buyer.

**Independent clause:**

Should any individual provisions of the General Conditions for Purchase Orders become invalid, all other provisions deemed to be fulfilling and valid hereof shall not be effected. In such case the void and/or ambiguous and/or unenforceable provision shall be replaced, after a written approval from Buyer, by relative provisions coming as close as possible to the economic purpose of the General Conditions for Purchase Orders, or be interpreted accordingly. Any gaps shall be filled according to the intended economic purpose.

**Inspections:**

Buyer reserves the right to inspect goods at any stage of manufacturing and prior to dispatch.

Supplier shall guarantee that all materials and services supplied under the order are new, free from design, material and workmanship defects and that, before shipment, are subject to the tests provided for. If the materials, further to the acceptance tests carried out by Buyer or his representative for a minimum period of twelve (12) months from commissioning or eighteen (18) months from the date of delivery to the stipulated point of delivery (whichever is the shorter period) prove to be defective for any reasons ascribable to Supplier, Buyer shall inform Supplier in writing and shall send the defective materials back to Supplier which, at his expense, shall proceed to the repair or the replacement - All handling and transportation charges both ways are at Supplier's cost.

Additional to any tests specified in the order, the whole of the materials and/or equipment shall be subject to inspection by Buyer, or his nominated representatives, at his discretion at any stage of manufacture and prior to dispatch. Supplier shall give a proper period of notice in writing to Buyer of the readiness of the material for final inspection prior to dispatch. Supplier shall provide facilities to Buyer's representatives to satisfy them that the materials conform to the order requirements. All costs for inspections and tests are for Supplier's account. Personal expenses of Buyer inspectors, such as travel and living expenses are for Buyer's account. It is further understood that Buyer has the right to waive inspection at point of manufacture without prejudice to Buyer's right to inspect material and/or equipment at destination or other place.

Supplier neither shall be relieved of any responsibility of liability under the order by any inspection carried out by Buyer, nor by Buyer approval of Supplier's drawing and technical data.

Supplier shall indemnify Buyer/Inspector and hold them harmless against any damages or compensation payable at law to any person in the employment of Supplier or his sub-contractors, or within the limits and to the extent his insurance covers any other third party, as a result of any accident or injury caused by Supplier's personnel during their stay on site for carrying out the work to be executed in respect of the order. Buyer incurs no liability on its own part to Supplier.

Payment of the invoice does not constitute acceptance. Supplier is not to ship materials and/or equipment unless inspection is made or waiver issued from Buyer in writing.

#### **Sub-suppliers and/or Sub-contractors**

No part of the Order may be assigned or sub-let to any third party without the express written permission of Buyer. Where such permission is given, copies of any consequent sub-orders must be forwarded immediately in triplicate to Buyer. It is Supplier's obligation to ensure that all authorized sub-contractors comply with all the terms and conditions of the Order.

Use of sub-suppliers and/or sub-contractors shall not relieve Supplier of any of the responsibilities and obligations resulting from a Purchase Order. Any failure by a sub-supplier and/or sub-contractor to meet the requirements of the Purchase Order shall be corrected at Supplier's cost. Buyer may cancel the Purchase Order and/or enforce claims.

Sub-suppliers and/or sub-contractors are to be notified by Supplier that work carried out may be subject to Buyer's inspection. Unpriced copies of Supplier's Purchase Orders with sub-suppliers and/or sub-contractors shall be furnished to Buyer for purpose of expediting and inspection.

Supplier within the limits and to the extent of what will be established by the sentence of the Court shall hold Buyer free and harmless from and wholly indemnified against loss, damage; expense or judgment arising from actual or alleged infringements or any patent, trade mark, brand name or trade secret. Any payments or royalties due to third parties shall be considered to have been included in the Order price. Both Buyer and Supplier hereby undertake to advise each other immediately in writing of any claim or action taken by a third party in respect of the order. All expenses arising from contesting such a claim or action shall be for the account of Supplier, provided that Buyer refrain from entering into any agreement with the claimant and make no statement that may be prejudicial to the defense and render all the assistance that may reasonably be required by Supplier.

#### **Patent Rights:**

If the execution of the Purchase Order affects patents or trade marks of third parties, Supplier shall obtain at his own cost such necessary licenses and shall keep Buyer harmless from all obligations, prejudices and losses possibly resulting for Buyer from the utilization of material involved due to an infringement of patents or trade marks of others.

Should Supplier's own patents or trademarks be affected, Buyer shall have the irrevocable right to an unlimited and free use of same in connection with the item concerned.

Should Supplier during the execution of the Purchase Order and/or especially during manufacture of the equipment ordered, make any invention by which the equipment or parts thereof are improved, Buyer shall be authorized to make unlimited use of such inventions free of charge.

If Supplier has copyrights on plans, engineering drawings, tables etc., used in connection with or for the execution of the Purchase Order, Buyer shall be authorized to make or to have reproductions made to modify plans and drawings as well as to use those free of charge unlimited in connection with the items.

#### **Limitation of set-off:**

Except for uncontested counterclaims or counterclaims recognized by declaratory judgment, Supplier has no right of retention. He only may offset against Buyer's claim, such claims that have been approved by Buyer or recognized by declaratory judgment.

### **Cancellation:**

In the event of supervening law or other Governmental or international action preventing Buyer fulfilling his obligations under the Order, he shall be empowered to cancel the Order without obligation.

Buyer may, at any time, give written instructions to Supplier to terminate all or part of any unfulfilled portion of the Order with immediate effect. In such an event Buyer shall pay and Supplier shall accept as final settlement of all claims under the Order such sum as shall compensate Supplier for the materials delivered and accepted by Buyer and being the subject of the Order, up to and inclusive of the date of the termination notice, plus such agreed sum as shall compensate Supplier for work actually carried out up to the date of termination, for the materials purchased purposely for fulfilling the Order and for the cancellation charges to be paid by Supplier for canceling the Orders he has placed with his suppliers, if any.

Force Majeure is deemed to be a cause for cancellation. In such case Supplier shall hand over all plans, engineering drawings and other data as per technical specifications in connection with the Purchase Order and destroy any copies made of these. Upon receipt of said notice, Supplier shall immediately discontinue all work and refrain from placing further orders for materials, facilities and supplies in connection with the performance of the Purchase Order and shall make every reasonable effort to pursue cancellation of all existing orders or contracts which Supplier may have made, at terms satisfactory to Buyer, and shall thereafter do only such work as may be necessary to preserve and protect work already in progress and/or equipment for such work in transit.

If Supplier culpably does not affect performance at all or does not affect performance as owed, Buyer may in whole or in part withdraw from the contract and may enforce claims for damages instead of performance. If Supplier did not fulfill his obligation within a time limit set by Buyer, Buyer may demand the delivery of any completed work, which might be of interest to Buyer. That part of Purchase Order, which is not yet realized, may be completed at Supplier's cost and risk, by Buyer itself or by a third party authorized. Supplier will receive compensation at evidence cost prices for that part of work which had completed and which has been accepted. Deduction, however, will be made for eventual additional costs incurred resulting from the completion of such items.

Reasons for a cancellation for which Supplier is responsible are especially:

- Insolvency of Supplier (opening of insolvency proceedings or termination of insolvency proceedings due to insufficient assets)
- Receivership
- Serious failures concerning quality and/or delivery dates which might jeopardize delivery time agreed upon

### **Force Majeure**

Supplier shall not be liable for delay caused by "Force Majeure". "Force Majeure" shall include any event beyond the control of Supplier which renders the performance of his obligations under the Supply Order impossible.

Illegal strikes, becoming scrap of parts indispensable for the fulfillment of the delivery date (e.g. castings, forgings etc.), rejection at inspection, delayed supplies from subcontractors or unavailability of raw material, are not cases of "Force Majeure". If a case of "Force Majeure" cannot be prevented by Supplier and/or his sub-supplier WOC must be informed immediately after occurrence of such event indicating the probable delay. In case of "Force Majeure" new dates for delivery of supplies and for the performance of services have to be mutually agreed upon. However, Supplier is obliged to take all responsible measures in order to maintain the delivery dates originally agreed upon or shorten the delay as far as possible.

### **Technical Documentation:**

The technical documentation provided to Supplier for submitting the offer or for execution of the Purchase Order shall be deemed to be the exclusive property of Buyer and shall be returned on completion of the supply at the latest. The technical documentation from Buyer as well as the drawings etc. prepared by Supplier on such basis for the materials to be supplied under the Purchase Order shall not be used for purposes other than this supply as shall not be disclosed to third parties who are not concerned with this supply. In case of discrepancies between the Purchase Order and the technical documentation issued by Buyer, Supplier shall ask for clarification in writing immediately.

Suppliers of major equipment, engineered assemblies and systems shall submit technical documentation for approval and/or information in accordance with requirements specified herein. Reference should be made to the enquiry or purchase order for documentation associated with commercial, invoicing and shipping requirements etc.

- All documentation shall be in the English language. Where original documentation is other than in English, then a full translation shall also be submitted by Supplier.
- The documentation format shall be in accordance with Supplier's standards, Provided that Buyer deem them to be satisfactory.
- The Supplier shall clearly identify each document by including:
  - Purchase Order number.
  - Requisition number.
  - Document type code.
  - Document sequence no.
  - Document revision no.

Documentation review by Buyer does not absolve Supplier of his responsibility to meet the requirements of the purchase order and associated specifications / data sheets.

- Supplier shall allow a minimum approval period of four (4) weeks from receipt of documentation by Buyer.
- Supplier should submit the original certificate of materials equipments and applications.
- Revised drawings / documentation resubmitted by Supplier shall identify changes by means of 'revision triangles', or detailed description, or a combination of both.
- Supplier shall be responsible for ensuring that all documentation is revised to an 'as built' status following completion of the Order and preferably resubmitted prior to order shipment.
- All deviations from the Purchase Order, Buyer specifications, Buyer approved drawings, data sheets etc. must be agreed by Buyer prior to release and shipment.

### **Manuals & Data Dossiers:**

- Following completion of the Order, Supplier shall provide copies of Installation, Operation & Maintenance (IOM) Manuals and Data Dossiers. These shall be submitted to Buyer or accompany the equipment as directed by Buyer. Data Dossiers that include test reports, material certificates, certificates of conformity, hazardous area approval certificates, type test certificates etc may form an integral section(s) of the IOM Manual where preferred by Supplier and agreed by Buyer.
- Manuals and Data Dossiers shall each be presented with an index and retained in four (4) ring binders (or equal).
- Manuals and Data Dossiers shall incorporate document type codes as specified, and indicated by Supplier at the quotation stage. Where Orders have been subject to third party inspection, then applicable test results, material certificates etc shall be stamped and signed by the inspector prior to compilation.

- Documents to be supplied:
  - Bidders checklist completely filled;
  - Approx. shipping weight for each bundle, crate, package, etc. (with bid);
  - Vendor quality control manual for WOC review and approval (prior to start fabrication);
  - Material certificates, testing certificate, and traceability (prior to inspection and shipment);
  - Inspection report / Inspection release certificates (prior to shipment);
  - Certificate and manufacturing data dossier (prior to shipment);
  - Materials Safety Data Sheets when applicable.
  - Catalogue data sheets (prior to shipment);
  - Chamber of commerce certificate at country of manufacturing (prior to shipment);
  - Other documents as stipulated in the Purchase Order (with shipping documents).

**Packing Lists:**

- Original packing lists must be sent to Buyer and Forwarding as well. Packing lists must show the gross and net weight of all packed units covered by the list.
- Every packed unit (e.g. case, crate, carton, etc.) must have an identifying reference (e.g. Purchase Number, Requisition Number) and must be accompanied by two original contents lists which itemize the specific contents of the subject packed unit. One is to be enclosed in the packed unit; the other must be attached securely to the outside and be adequately protected from weather damage.

**Hazardous Materials:**

Restricted articles certificates must be in accordance with the national / international standards organizations - International Maritime Organization International, Air Transport Association - UN/ICAO body and Road Haulage Association.

All cases, containers and pallets containing hazardous materials must state the following information:

IMO number

U.N. number

IMCO page number

Technical name of product

**Statutory Requirements:**

It is Supplier's responsibility to ensure that any statutory requirements associated with the export of the goods from the country of origin, or from any country of transshipment are complied with and to ensure that any documents associated with such compliance are provided. Any question of doubt must be discussed with Buyer prior to delivery.

**DOMESTIC PACKING:**

In cases where materials are ordered domestic packed, Supplier is responsible for ensuring that such consignments are adequately protected to ensure safe delivery to the Freight Forwarder.

**MARKING:**

- The shipping mark, as indicated in the Purchase Order must be shown on three sides of each packed unit. Special attention must be paid to the accuracy of Purchase Order Number and Requisition Number.
- Marks should be in black figures of not less than 2” high, where applicable, and should be a durable paint (labels) or stenciled in suitable ink or point directly on to the timber of the case.
- Each packed unit must have an identifying number, which relates to the total units in the consignment, i.e. 1 of 4; 2 of 4 etc.
- Gross and net weights are to be shown in both kilograms and pounds. Wherever dimensions are shown, these must be expressed in inches and centimeters.
- Lifting and slinging points together with the center of gravity must be marked on all units where size makes this necessary.
- Materials of a hazardous or inflammable nature must be clearly marked in accordance with the accepted national / international warning labels. A hazardous goods declaration must accompany such goods and be in compliance with the national / international requirements pertaining to the delivery criteria. (Term. Card - DGN. IATA/ICAO Re-Art Certs)
- As a color code, bands must be painted around each packed unit in the color indicated in the Purchase Order.
- Where material is dispatched loose, in bundles or on pallets, metal or durable plastic tags with all marks and other details as above must be securely wired to each packed unit.

**Shipment:**

Shipment shall be made according to the "Expediting, Forwarding and Marking Instructions". Any expense arising from Supplier's failure to comply with these instructions shall be borne by Supplier.

**SPECIAL NOTES FOR CFR CONSIGNMENTS:**

In the case of CFR orders, it is Supplier's responsibility to ensure the material is dispatched to Libya by the correct method of transport.

When material has been shipped, Supplier must contact Buyer by fax or telex and advise preliminary advice.

Supplier must send Buyer all original shipping documents:

- Original bill of lading/airway bills
- Original certificate of origin certified by a Chamber of Commerce and legalized by the Libyan People's Bureau
- Original invoices. Invoices must state original manufacturer & country of origin for each line item. Failure to give this information may result in the invoice being rejected
- Original packing lists
- Copies of all shipping documents must be packed in plastic bags with the goods.

**Proof of Shipment:**

Upon the actual shipment of the Order being made, the shipping agent shall issue a proof of shipment direct to Supplier.

**Secrecy:**

Supplier is obliged to keep strictly confidential any business matters (in particular information, plans, drawings, documents, know-how from Buyer, unless such information and data are a matter of common knowledge and open to all interested) which he already knows or which he is going to learn from Buyer. Supplier shall keep strictly confidential and shall not disclose or make available such business matters to unauthorized persons and shall use them for the fulfillment of the Purchase Order only. Supplier shall reproduce or copy documents exclusively to perform his deliveries. Supplier agrees not to refer to or use the names of Buyer in connection with the material and/or equipment covered by the Purchase Order without the prior written release by Buyer.

**Warranty:**

Supplier warrants that at the time of delivery of products

- The quality of products is in accordance with the Purchase Order corresponding with all legal and official regulations.
- The products delivered are new and unused and free from any defects, which might reduce their use as specified in the Purchase Order and meet the required and offered performance data.

Supplier agrees to replace or correct promptly within a reasonable period of time and without any costs for Buyer any materials and/or equipment not meeting the aforementioned requirements, provided that the claim is submitted in writing prior to the expiration of the warranty period. Buyer reserves the right to demand that Supplier attempts to remedy the defects or delivers a defect-free item to an extent reasonable for Buyer. After expiration of time given for the rectification of defects within such time, Buyer shall have the right to entrust this work to third parties back charging all expenses incurred to Supplier. Should the rectification by third parties fail or should Buyer not make use of its right to entrust the rectification to third parties. Buyer can either reduce payments or withdraw from the contract. In addition Buyer reserve the right to claim damages instead of performance. Approvals of Supplier's design and engineering as well as testing and acceptance by Buyer and/or authorized inspection agencies do not relieve Supplier from his warranty obligations.

This warranty covers the whole supply including sub-supplies, if any. The full period of warranty for material repaired or replaced recommences from the date such repair or replacement is completed.

Supplier guarantees warranty under this paragraph for a period of twelve (12) months from date of taking material and/or equipment into service or eighteen (18) months from date of acceptance or delivery, whichever is shorter.

**End of Document**