

**Annexure - IV**  
**CONDITIONS OF CONTRACT**

**Definitions and interpretation**

In the contract, unless the context otherwise requires:

- i. "Acceptance of Tender" means the letter communicating to the Vendor the acceptance of his tender and includes an advance acceptance of his tender.
- ii. "Contract" means and includes Bid Invitation, Instructions to Tenderers, Tender, Acceptance of Tender, General Conditions of Contract, Schedule of Requirements, particulars and other conditions specified in the acceptance of tender and includes a repeat order which has been accepted or acted upon by the Vendor and a formal agreement, if executed.
- iii. "Purchaser" means and includes an officer who is authorised on behalf of the Institute for Defence Studies and Analyses to place the order.

**Penalty for delay in commissioning**

- i. The schedule to be given for testing and acceptance and/or delivery and installation at site is to be strictly adhered to in view of the strict time schedule for implementation of various projects of the Purchaser as time is essence of the contract. Any unjustified and unacceptable delay in delivery beyond the delivery schedule as per Purchase order shall render the vendor liable for liquidated damages by way of penalty at the rate of 1.5% (one and one half percent) per week subject to a maximum of TEN weeks and thereafter the Purchaser holds the option for cancellation of the order of pending supply and procure the same from any other vendor and invoke the Bank Guarantee of the vendor. In addition, the vendor shall also be liable to pay the Purchaser a cancellation charge of 8½% (eight and a half percent).
- ii. The decision of the authority placing the order, whether the delay in commissioning has taken place on account of reasons attributed to the vendor shall be final.

**Acceptance Certificate**

On successful completion of acceptability test for 15 days and after IDSA is satisfied with the accuracy and completeness of the performance of the Internet service on various parameters, the acceptance certificate signed by the representative of IDSA and representative of the Vendor will be issued.

**Performance Guarantee Bond**

After an acceptance of tender is issued by the Purchaser, the vendor shall furnish a Performance Guarantee Bond of 10% of the total Contract Value within 15 days from the receipt of the advance Acceptance of the Tender by the Purchaser.

On performance and completion of the contract in all respects, the Performance Guarantee Bond will be returned to the vendor without any interest.

**Payment Terms**

The payment mode for One Time charges will be after acceptance test is done and for recurring charges will be on quarterly basis at the end of each quarter.

In case there is price reduction in service components during the contract period then the vendor (ISP) will pass on all such benefits to IDSA without claiming by the purchaser.

The ISP will be responsible for providing all hardware and configuration of routers and other devices.

**Warranty**

The bidder shall ensure an uptime of 99.5% for the entire duration.

**Penalty for Downtime**

If the services remain down for any reason from 4 hours to 24 hours including Saturday and Sunday then 0.5% of the proportionate contract value will be deducted as penalty and if services remain down from 24 hours to one week including Saturdays, Sundays, and holidays then 1% of the proportionate contract value will be deducted as penalty.

Following compensations shall be provided by the service provider in case of the delay in Round Trip:

| Round-Trip delay | Packet Loss     | Compensations           |
|------------------|-----------------|-------------------------|
| >290msec<330msec |                 | 24 hour service charges |
| >330 msec        |                 | 7 Days service charges  |
|                  | Greater than 1% | 7 Days service charges  |

If, however, services remain down for more than a week then 2% of the proportionate contract value will be deducted as penalty for each such weeks up to a month after which the amount will be debited from Security Deposit and the purchaser will have right to cancel the order and go for any other ISP.

Service Provider have to provide software which gives hour to hour report.

**Settlement of Dispute & Jurisdiction :**

Parties shall endeavour to amicably resolve disputes, if any, with regard to the interpretation, execution and/or implementation of this agreement.

Thereafter, all such disputes shall be determined exclusively by the Director General, IDSA whose decision shall be final and binding upon the parties.

Disputes, if any, with regard to the decision of the Director General, in this regard, shall be referred to Arbitration by a sole Arbitrator to be appointed by IDSA and all proceedings in

this regard shall be subject to the sole and exclusive jurisdiction of Courts of competent jurisdiction at New Delhi.

The Arbitration Proceedings shall be conducted in accordance with the Arbitration and Conciliation Act, 1996 and the proceedings of the Arbitration shall be in English. The venue shall be at the IDSA or at such other location as the Arbitrator may deem fit.

Standard force-majeure conditions would apply.

**Right to award the contract**

The Institute reserves the right to award the contract to any of the bidders irrespective of not being lowest, taking into consideration of interest of the Institute and in this respect, the decision of the Institute shall be final.