

FEDERATED STATES OF MICRONESIA



Request for Quotation (RFQ)

for

BOAT

**ADB Grant 1004: Climate-Resilient Energy and Water Sector
Project
(FSM CREWS)**

Department of Resources Development (DoRD)

Palikir, Pohnpei FM 96941

Federated States of Micronesia

February 17, 2026



DEPARTMENT OF RESOURCES & DEVELOPMENT

Federated States of Micronesia
P.O. Box PS-12
Palikir, Pohnpei FM 96941
Phone: (691) 320-2620/2646/5133
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Request for Quotations (RFQ): Supply of a Boat for Chuuk Public Utilities Cooperation, Chuuk State FSM

ADB Climate Resilient Energy and Water Sector (CREWS) Project

Open: (17 February 2026)

Close: (26 March) at 12 noon Pohnpei Time

1. General Introduction

The Government of the Federated States of Micronesia (FSM) has sought financing from the Asian Development Bank (ADB) to enhance access to clean energy and water for 15 selected outer islands in the FSM. While the four main islands (Yap, Chuuk, Pohnpei and Kosrae) in FSM benefit from grid-connected electricity and clean water supply, approximately 40% of the FSM population residing on the smaller outer islands of the abovementioned main islands currently lack access to these essential services. The proposed investments aim to improve access to modern clean energy and water services, enhance service quality and reliability, ensure climate resilience, and reduce the nation's dependence on fossil fuels for power generation. This transition is anticipated to lower generation costs and greenhouse gas (GHG) emissions.

The first phase of ADB's Grant-1004, known as the Climate Resilient Energy and Water Sector (CREWS) Project, focuses on the installation of solar photovoltaic (PV) plants, the construction of distribution grids, and the provision of productive energy usage equipment on the lagoon islands of Fefen, Etten, and Piis Paneu in Chuuk State. To ensure the timely installation of medium-voltage distribution cables across these islands, the Department of Resources and Development (DoRD), with funding from the ADB's CREWS Project, intends to procure a boat to assist CPUC staff in undertaking site visits and transport of maintenance crew and equipment to these islands as well as to other islands where electrification works are ongoing.

Project Overview: The Division of Energy, within the DoRD, is issuing an invitation for proposals to supply a boat to be delivered to Chuuk Public Utility Corporation (CPUC) in Weno, Chuuk State, under the ADB's Grant-1004, known as the Climate Resilient Energy and Water Sector (CREWS) Project. Interested suppliers are requested to provide a single price quotation for a boat with outboard engines suitable for offshore conditions in the Chuuk lagoon. This quotation must include all applicable charges, taxes, and insurance costs associated with the delivery to CPUC in Weno, Chuuk State, FSM.

2. Eligibility

To be eligible to submit a proposal in response to this Request for Quotation (RFQ), suppliers must be legally recognized entities capable of entering into a contract with the Government of FSM. Additionally, suppliers must demonstrate their ability to deliver the boat within the specified timeframe (3 months) while adhering to the technical specifications outlined in

Annex-3 of this RFQ. Suppliers must meet the following criteria to qualify for participation in the RFQ process:

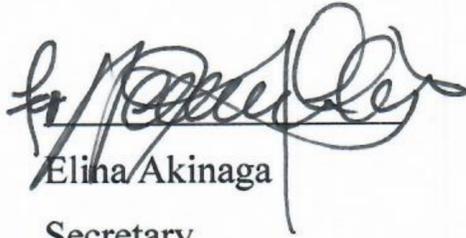
- a) **Authorized Distributor or Agent:** The supplier must be an authorized distributor or an agent of a manufacturer of offshore boats. Documentation such as an authorization letter from the manufacturer, product catalogues, data sheets, and a list of references must be provided as evidence.
- b) **ADB Membership:** The firm, joint venture partners, associates, parent company, affiliates, subsidiaries, and any subcontractors or suppliers involved in the contract must be from an ADB member country (as listed at <https://www.adb.org/about/members>). Proposals from suppliers that do not meet this criterion will not be considered for evaluation.
- c) **Adherence to ADB Policies:** Suppliers must adhere to [ADB's Anticorruption Policy](#) and [Integrity Principles and Guidelines](#) throughout the evaluation process and during the implementation of the contract.
- d) **Debarment and Suspension:** No firm, individual, joint venture partners, associates, parent company, affiliates, subsidiary, subcontractors, or suppliers involved in any part of the contract shall be eligible to participate in this RFQ if they are currently under temporary suspension, debarment, declared ineligible, or blacklisted by ADB pursuant to [ADB's Anticorruption Policy](#). This applies regardless of whether the debarment was directly imposed by ADB or enforced by ADB under the Agreement for Mutual Enforcement of Debarment Decisions.
- e) **Compliance with UN Security Council Decisions:** Suppliers whose importation of goods or services is prohibited by a decision of the United Nations Security Council under Chapter VII of the Charter of the United Nations, are not eligible to participate in this RFQ.
- f) **Ethical Standards:** Under [ADB's Anticorruption Policy](#) (1998, as amended to date), suppliers must adhere to the highest standards of ethics during procurement and contract execution. ADB reserves the right to reject proposals and impose sanctions or remedial actions on parties involved, if it determines that the supplier or any associated party, directly or through an agent, has engaged in corrupt, fraudulent, collusive, coercive, obstructive practices or other integrity violations.
- g) **Misrepresentation:** Any misrepresentation that knowingly or recklessly misleads, or attempts to mislead, may result in the automatic rejection of the offer or cancellation of the Contract, if awarded. This will be in accordance with [ADB's Anticorruption Policy](#) (1998, as amended to date) and [Integrity Principles and Guidelines](#). (2015 as amended from time to time).
- h) **Conflict of Interest:** Suppliers must avoid any conflicts of interest. Any supplier found to have a conflict of interest will be disqualified from the RFQ process.

3. Closing Date

To ensure that your proposal is considered, please submit your completed offer to the address in Section 7 of the "Instructions for the Preparation and Submission of Offer of RFQ no later than 26 March 2026, by 12 noon Pohnpei time (GMT+11). Submissions should be made during the working hours of the Department of Resources and Development (DoRD), which are Monday to Friday, 8 am to 5 pm, excluding National and State holidays. Proposals received after this deadline will be deemed invalid.

We look forward to receiving your proposal.

Sincerely,

A handwritten signature in black ink, appearing to read 'Elina Akinaga', written over a horizontal line.

Elina Akinaga

Secretary

Department of Resources and Development (DoRD)

Enclosures

Annex 1: INSTRUCTIONS FOR THE PREPARATION AND SUBMISSION OF APPLICATION
FOR THE RFQ

Annex 2: STATEMENT OF CONFIRMATION

Annex 3: TECHNICAL SPECIFICATIONS

Annex 4: PRICE QUOTE AND EVALUATION CRITERIA

Annex 5: LETTER OF ACCEPTANCE AND CONTRACT

Annex 1

INSTRUCTIONS FOR THE PREPARATION AND SUBMISSION OF APPLICATION FOR THE RFQ

1. Content of the Application for the RFQ

The Offer for RFQ should have two parts: the Technical Part and Commercial Part. While not limited to the following, the application should include the specified information:

1.1 TECHNICAL PART OF THE APPLICATION

- a) A certified copy of the business registration, and the latest financial statement.
- b) Any Joint Venture Agreement (JVA) related to this RFQ with another company, whether based in FSM or another country.
- c) A statement of your company or JV partner is authorized as an agent or distributor for the proposed supply of boats. If not authorized, provide proof of consent from the manufacturer to supply the boat.
- d) References with contact information detailing your experience in supplying offshore boats to other customers.
- e) A signed **Statement of Confirmation** in the format provided in Annex 2 of the RFQ, without any alterations.
- f) Any additional information you deem relevant. Note that the supplier may be requested to provide further information and/or documentation to support their application at any stage.

1.2 COMMERCIAL PROPOSAL (to be submitted in the same envelope)

The Commercial Proposal must include, but is not limited to, the following information:

- a) The best fixed price in US dollars for supplying a boat meeting the technical specifications outlined in Annex 3 of the RFQ. Prices should include all applicable charges, taxes, and insurance costs for delivery to Chuuk Public Utility Corporation (CPUC), in Weno, Chuuk State, FSM.
- b) Prices for the supply of the boat must be presented in the format provided in Annex 4 of the RFQ.
- c) A statement confirming that the Offer is valid for a minimum period of three (3) months from the deadline specified in Annex 2 of the RFQ. During this period, the quoted price must remain unchanged.

All documents for the RFQ should be submitted in English. The selection of the supplier will be made based on the Commercial Proposal, provided it meets the technical specifications outlined in Annex 3 of the RFQ.

2. Evaluation Procedure & Acceptance of Application

All Offers submitted in response to this RFQ will be reviewed and evaluated by the Department of Resources and Development (DoRD) in a fair and impartial manner, in accordance with the provisions of the ADB Procurement Policy of the Asian Development Bank. The evaluation will focus primarily on the quoted price, with the supplier offering the lowest prices in Annex 4 of the RFQ being awarded the Contract.

3. Period of Contract

The supply of a boat within 90 calendar days or earlier from the date of signing the Contract. The supply schedule is indicated in Annex 3 of the RFQ.

4. Single Offer

Suppliers must provide a price quote for the boat using the format provided in Annex 4 of the RFQ. Offers quoting a partial compliance with the specifications will be rejected.

5. Type of Contract

Suppliers must quote a fixed price that covers all charges, taxes, insurance, and fuel costs for supplying a boat suitable for operation in offshore lagoon conditions to CPUC, in Weno, Chuuk State, FSM. Additionally, the supplier must provide two days of training for operating and maintaining the boat's navigation equipment. The quoted price must remain unchanged for the duration of the Contract.

6. Format and Signing of RFQ Offer

The Offer must be submitted in accordance with the following instructions, procedures, and terms:

- i. The Offer should be submitted in "ONE SEALED ENVELOPE", containing both contain the Technical Offer and Commercial Offers, including price and commercial terms.
- ii. The Offer must be typed or written in the English language (both in words and numerals) in indelible ink and signed by an official authorized to enter into a Contract on behalf of your company or consortium.
- iii. The sealed envelope should be marked as follows:

Offer:- Supply of BOAT

APPLICATION

Closing Date: 26 March, 2026

Do not open before the Closing Date

7. Submission of Offer for RFQ

Your Offer must be submitted to the following address by 12 noon Pohnpei time (GMT +11) by 26 March, 2026.

DoRD's Address: Department of Resources and Development (DoRD),
FSM National Government
P.O. Box PS-12
Palikir, Pohnpei 96941
Email: fsmrd@rd.gov.fm
Telephone: 691 320 2646/5133

[Or]

Alternatively, offers may be submitted electronically via email (please send password in a separate email) to the following address:

DoRD's Address: Department of Resources and Development (DoRD),
FSM National Government
P.O. Box PS-12

Palikir, Pohnpei 96941
Telephone: 691 320 2646/5133
E-mail: fsmrd@rd.gov.fm

Cc: Clean Energy Coordinator
E-mail: stephen.yarofalig@rd.gov.fm

Subject of the email: Supply of Boat - Energy & Water Division

8. Further information and clarification can be obtained from:

Name: Ms. Leola Primo, Acting Assistant Secretary
Address: Department of Resources and Development (DoRD),
FSM National Government, Palikir, Pohnpei
Telephone: 691 320 2646/5133
E-mail: leola.primo@rd.gov.fm and stephen.yarofalig@rd.gov.fm

9. Contract Award & Signing of Contract

DoRD will notify the successful supplier, in writing, that their Offer has been accepted for the supply of a boat, as outlined in Annex 5 of the RFQ. The contract document, incorporating all agreements between parties, will be sent to the successful supplier for signing and return within two (2) calendar weeks of the receipt. All unsuccessful suppliers will be notified once the Contract is awarded.

10. Payment

Payment terms will be specified in Annex 5 of this RFQ.

11. Registration of Suppliers

Suppliers interested in applying for this RFQ and/or obtaining further updates, if available, may fill out the [Google Registration Form](#).

Annex 2

STATEMENT OF CONFIRMATION

On behalf of (insert the name of company or institution) I hereby attest and confirm that the company/ organization:

- a) Possesses the legal status and capacity to enter into a legally binding contract with the Department of Resources and Development (DoRD)/ADB for the supply of a boat that meet operations for lagoon conditions.
- b) Is not insolvent, in receivership, bankrupt or being wound up, and not under administration by a Court or Judicial Officer and is not subject to the suspension of its business or legal proceedings for any of the aforementioned reasons.
- c) Has fulfilled all its obligations regarding the payment of taxes and social security contributions.
- d) Has not, and that its directors and officers have not, within the last five years, been convicted of any criminal offence related to professional conduct or the making of false statements or misrepresentations regarding their capacity or qualification to enter into a procurement or supply contract.
- e) Pursues a zero-tolerance policy for all forms of corruption, including extortion and bribery.
- f) Will duly inform DoRD/ADB, if any of the above circumstances should occur at a later time and acknowledges that DoRD/ADB reserves the right to disqualify the company/ institution from any further participation in procurement proceedings.
- g) Acknowledges that DoRD/ADB has the right to disqualify the company/institution from participation in any further procurement proceedings, if it offers, gives or agrees to give, directly or indirectly, to any current or former staff member of DoRD/ADB a gratuity in any form, an offer of employment, or any other of service or value, as an inducement regarding an act, decision, or procedure related to procurement proceeding.
- h) Confirms that the price quoted for the supply of a boat will be fixed and shall remain unchanged for three months following the submission of the RFQ, and if awarded the contract, for the duration of the contract.

Name:

Signature:

Title/ Position:

Place (City and Country)

Date:

Annex 3

Technical Specifications

1) GENERAL BACKGROUND INFORMATION:

FSM Climate-Resilient Energy and Water Sector Project (FSM CREWS) is funded by the Asian Development Bank (ADB) and is being implemented by the Energy & Water Division, Department of Resources & Development (DoRD). The project aims to enhance energy access and promote productive energy usage among communities in the islands of Fefen, Etten, and Piis Paneu of Chuuk State, FSM. It includes the installation of solar photovoltaic (PV) plants, medium-voltage distribution grids, and other productive energy usage equipment on these islands.

Additionally, the FSM CREWS project is facilitating the procurement of a boat suitable for operations lagoon in water conditions to enable CPUC staff to conduct site inspections of ongoing electrification projects on various lagoon islands.

2) Technical Specifications

The following specifications outline the requirements for the boat to be supplied:

A. General Requirements:

- **Quantity:** One (1) fiberglass power boat of 30 feet length, complying with ISO 12188-1 for fiberglass or equivalent standard.
- **Intended Use:** Transport personnel for maintenance and supervision of electrical systems across the Chuuk lagoon islands.
- **Passenger Capacity:** Minimum capacity of 12 passengers, including crew.
- **Weight Capacity:** Must safely carry the crew, passengers, and maintenance equipment/materials of at least 3,000 pounds.

B. Hull and Seakeeping/Lagoon Conditions

- **Hull Type (Added requirement):** Deep-V hull with high freeboard and reinforced structure to improve wave-handling performance.
- **Sea State Capability:** Designed for operation in sea states up to 1–2 meters of wave height.
- **Freeboard Requirement:** Minimum of 2.5 to 3 feet above the waterline when fully loaded.
- **Stability Standard:** Must comply with USCG Subchapter T stability requirements or equivalent.
- **Hull Material Durability:** UV resistance and saltwater corrosion resistance; suitable for tropical marine environments.
- **Added Safety (Unsinkability):** Foam-filled, unsinkable compartments (or equivalent buoyancy system) to maximize passenger safety.
- **Hull/Underwater Protection:** Zinc anodes for through-hull fittings and anti-fouling paint below the waterline.

C. Propulsion, Steering, Fuel, and Performance

- **Engine Type and Power:** Engine(s) certified for commercial use suitable for offshore/lagoon conditions.
 - Added requirement: Twin 150 HP gasoline outboard engines (total equivalent to 300 HP), to provide redundancy and maneuverability.
- **Steering (Added requirement):** Hydraulic steering (for twin engines).
- **Cooling System:** Closed-loop cooling system preferred over raw water intake due to tropical lagoon seawater conditions (where applicable/compatible with engine design).
- **Fuel Type and Capacity:** Operate on gasoline (per twin gas engine requirement) with sufficient fuel capacity to travel at least 100 nautical miles plus reserve.
- **Cruising Speed and Range:**
 - Minimum cruising speed of 15 to 22 knots.
 - Capable of at least 75 to 85 nautical miles at cruising speed on a full fuel tank.

D. Navigation, Communications, and Electronics

- **Navigation Electronics (Added requirement):** Include GPS/chartplotter and VHF marine radio with appropriate antennas.
- **GPS/Navigation System:** Integrated chart plotter and GPS navigation system.
- **Radio Communication:** VHF marine radio with antennas.
- **Electrical Systems:** Adequate wiring and electrical systems to support lights, GPS, communications, and additional equipment.
- **LED Lighting:** Navigation and working lights for evening/low-light operations.

E. Safety Equipment (Minimum)

- **Safety Vests:** Minimum of 12 USCG-approved life vests.
- **Bilge Pumps (Added requirement):** Bilge pump(s) installed (electric and/or manual).
- **Flares:** Full set of distress flares.
- **Fire Extinguisher:** At least one USCG-approved fire extinguisher.
- **First Aid Kit:** Complete first aid kit as per maritime safety regulations.
- **Emergency Signaling Devices (Added requirement):** Emergency signaling devices appropriate for lagoon operations (in addition to flares).
- **Emergency Communications Equipment:**
 - a. EPIRB or PLB
 - b. Satellite phone for emergency communication in remote Pacific locations where VHF coverage is limited.
 - c. Medical-grade first aid kit including tourniquets and trauma supplies suitable for lagoon/island conditions
 - d. Personal Locator Beacons (PLBs) for a minimum of 12 personnel
- **Sound Signals:** Whistle or horn.

F. Deck Layout, Comfort, and Storage

- **Deck Layout:** Non-slip deck surfaces; sufficient space for luggage and equipment.
- **Seating/Comfort Features:** Hydraulically adjustable helm seat and seating for passengers.
- **Bimini Shade:** Sunshade/canopy for crew and passengers.
- **Safety Railings:** Safety railing around deck areas where needed.
- **Dry Storage:** Enclosed storage compartments for tools/materials; waterproof and lockable.
- **Ice Box/Cooler:** Provision for an icebox/cooler for food and beverages.

G. Maintenance, Documentation, and Warranty

- **Spare Parts Package:** Comprehensive spare parts kit including filters, belts, propellers, and other manufacturer-recommended maintenance items.
- **Owner's Manual:** Operational and maintenance manual(s).
- **Warranty:** Minimum one (1) year warranty covering parts and workmanship.

H. Trailer (Added requirement)

The supply shall include a trailer suitable for safe transport, launching, and retrieval:

- **Type:** Dual-axle galvanized steel trailer
- Adjustable supports/bunks appropriate for the hull form
- **Braking:** Hydraulic brakes
- Suitable for the weight and dimensions of the supplied boat, and appropriate for coastal environments.

I. Inspection: Pre-delivery inspection by CPUC personnel or an appointed third-party marine surveyor.

3) Supply Schedule

The successful supplier shall deliver the boat suitable for lagoon water conditions within ninety (90) calendar days from the signing of the contract.

Supplier(s) may propose an improved supply schedule in their Offer Letter, such as delivering the spare part in a separate shipment, which may be adopted in consultation with the DoRD.

4) Technical evaluation of the offer

Suppliers must confirm that the boat proposed for supply to DoRD meet the specifications outlined above. The supplier is required to provide relevant documentation to substantiate their claims. Offers that do not comply with the specified technical requirements will be summarily rejected, and their price offers will not be evaluated.

Annex 4

PRICE QUOTE & EVALUATION CRITERIA

Suppliers are required to provide a price quote in US dollars (US\$) for the delivery of the boat to Chuuk Public Utility Corporation (CPUC) in Weno, Chuuk State, FSM, as detailed in Table 1 below. The price quote must include all applicable costs, including the carriage and insurance paid (CIP) for the boat, as well as any relevant taxes, duties and insurance costs.

Table 1: Price Quote

Item	Country of Origin	Quantity	Unit Price (CIP in US\$)	Total Price	Taxes and Duties	Others	Total
1	2	3	4	$5 = 3 * 4$	6	7	$8 = 5 + 6 + 7$
Boat		1					

The offers submitted by technically qualified suppliers will be evaluated based on the total quoted CIP price. The contract will be awarded to the supplier offering the lowest total price.

The terms and conditions of the payment will be outlined in the Contract, provided in Annex 5 of the RFQ.

Letter of Price Quote

The Bidder must accomplish the Letter of Price Bid on their official letterhead, clearly showing the supplier's complete name and address.

Date:

RFQ No.:

To: Department of Resources and Development (DoRD),
FSM National Government

We, the undersigned, declare that:

- (a) We have examined the RFQ Document, including any issued Addenda, and have no reservations regarding its content.
- (b) We offer to supply one boat suitable to lagoon water condition to CPUC in Weno, Chuuk Sate, FSM in conformity with the technical specifications provided in Annex 3 of the RFQ.
- (c) The total quote price of our Offer is

(d)

<i>[amount of foreign currency in words], [amount in figures], and [amount of local currency in words], [amount in figures]</i>

- (e) Our Offer shall be valid for a period of three months from the submission deadline of the RFQ and shall be binding upon us until the expiration of that period.
- (f) We understand that this offer, along with your written acceptance included in your notification of award through the issuance of Letter of Acceptance, will constitute a binding contract between us until a formal contract is prepared and executed.

- (g) We acknowledge that you are obligated to accept the lowest evaluated offer or any other offer received.
- (h) We confirm our commitments and declarations made in connection with the submission of our Technical Proposal.
- (i) We certify that the information provided in the bid has been fully reviewed, is accurate to the best of our knowledge, and has been given in good faith. We understand our obligation to inform DoRD of any changes to this information as they become known. We acknowledge that any misrepresentation that knowingly or recklessly mislead or attempts to mislead. Additionally, it 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 Offer for and on behalf of

Date

Annex 5



DEPARTMENT OF RESOURCES & DEVELOPMENT

Federated States of Micronesia

P.O. Box PS-12

Palikir, Pohnpei FM 96941

Phone: (691) 320-2620/2646/5133

E-mail: fsmrd@fsmrd.fm

Letter of Acceptance

[date]

To:

Subject: Acceptance of Quotation for Boat

Project Name: FSM Grant-1004 Climate-Resilient Energy and Water Sector Project (FSM Grant-1004: CREWS)

Price Quotation with reference: xxx, dated xxx xxx 2026

We hereby notify you that your quotation referenced above, dated [date] for supply of a boat [make and modal no.] to be delivered within ninety (90) calendar days of the contract award to Chuuk Public Utility Corporation (CPUC) in Weno, Chuuk State, FSM for USD [amount] (US\$) is hereby accepted by the Energy & Water Division, Department Resources and Development (DoRD).

Authorized Signature:

Elina Akinaga

Secretary

Department of Resources and Development. FSM.

(1) Attachment: Contract Agreement

CONTRACT

Name of Country: Federated States of Micronesia

Project Name: FSM Grant-1004: Climate-Resilient Energy and Water Sector Project (FSM CREWS)

Name of Contract: Supply of one (1) Boat

Contract Number: DoRD/1004-2

This Contract is entered into on [date], between the **Department of Resources and Development** (hereinafter called "the Purchaser") on the one part, and [name of supplier] (hereinafter called "the Supplier") on the other part.

Whereas the Purchaser has requested a quotation for one (1) boat suitable for Chuuk lagoon water conditions to be supplied by the Supplier in accordance with this Contract and has accepted the Supplier's price quotation in the amount of United States **Dollars [amount] [USD]** hereinafter referred to as "the Contract Price".

The Purchaser and the Supplier agree as follows:

1. **Contract Documents:** The following documents shall be deemed to form an integral part of this Contract, viz:
 - a) Price Quotation, reference [Ref & Date];
 - b) Technical Specification Sheet: [Data Sheet & Catalogue];
 - c) Contract Terms and Conditions.
2. **Contract Execution:** The Supplier hereby enters into this Contract to execute and complete the supply of goods in conformity with the provisions of this Contract and its Terms and Conditions, based on the payments made by the Purchaser to the Supplier as stipulated herein.
3. **Payment Terms:** The Purchaser agrees to pay the Supplier the Contract Price for the supply and delivery of the boat, along with any necessary remedying of defects, in accordance with the payment terms specified in the Contract Terms and Conditions.

IN WITNESS WHEREOF, the parties hereto have executed the Contract under the laws of the *Federated States of Micronesia* on the date indicated above.

Signature and seal of the Purchaser:

For and on behalf of

Name of Authorized Representative

Signature and seal of the Supplier:

For and on behalf of

Name of Authorized Representative

CONTRACT TERMS AND CONDITIONS

Project Name: FSM Grant-1004: Climate-Resilient Energy and Water Sector Project
(FSM CREWS)

Purchaser: Department of Resources & Development (DoRD)

Package No.

1. Definitions

- (a) "Contract" means the agreement between the Purchaser and the Supplier, including all documents listed in the Agreement, attachments, appendices, and any documents incorporated by reference.
- (b) "Contract Documents" refers to the documents listed in the Agreement, including any amendments.
- (c) "Contract Price" is the price payable to the Supplier as specified in the Agreement, subject to adjustments as stipulated in the Contract.
- (d) "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.
- (e) "Completion" refers to the fulfilment of delivery and any related services by the Supplier as per the Contract terms.
- (f) "Goods" denotes all commodities, raw materials, machinery, equipment, and materials that the Supplier is required to provide to the Purchaser under the Contract.
- (g) "Purchaser" means the entity purchasing the Goods and Related Services, as specified in the SCC.
- (h) "Supplier" is the individual or entity whose bid has been accepted by the Purchaser and is named as such in the Agreement, including the legal successors or permitted assigns of the Supplier.
- (i) "ADB" is the Asian Development Bank.

2. Applicable Law

2.1 The Contract shall be interpreted in accordance with the laws of the Purchaser's country.

3. Language

3.1 All communications and documents related to the Contract shall be in English.

4. Assignment

4.1 Any assignment of this Contract or of any rights hereunder, in whole or in part, without the prior written consent of the Purchaser shall be void.

5. Fraud and Corruption

5.1 This Contract shall adhere to ADB's Anticorruption Policy (1998, as amended to date) and Integrity Principles and Guidelines (2015, as amended from time to time), which the highest standard of ethics during the procurement and execution of such contracts.

6. Fixed Contract Price

6.1 The prices indicated in Annex 4 of RFQ are firm, fixed, and not subject to any adjustment during contract performance.

7. Delivery Schedule

7.1 Delivery shall be completed as per the schedule indicated in the Supply and Delivery Schedule (indicated in Annex 3 of RFQ or as agreed with DoRD) but shall not exceed ninety (90) calendar days from the date of signing the contract.

8. Required Technical Specifications (with attachments as necessary)

- (a) General Description
- (b) Specific Details and Technical Standards
- (c) Performance Parameters

The Supplier confirms compliance with the above specifications.

9. Delivery and Documents

9.1 Upon delivery, the Supplier shall provide the following documents to the Purchaser:

- (a) Copies of the Supplier's invoice showing goods' description, quantity, unit price, and total amount;
- (b) Manufacturer's or Supplier's warranty certificate; and
- (c) Certificate of origin.

The Supplier shall also provide, prior to delivery, any documents required for customs clearance. These documents must be received by the Purchaser at least one week before the arrival of the boat. Failure to provide these documents may result in the Supplier being responsible for any consequent expenses.

10. Taxes and Duties

10.1 The Supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted boat to the Purchaser in Weno Island, Chuuk State, FSM.

11. Payment

11.1 Payment of the contract price shall be made as follows:

- (a) An optional advance payment of 10% within 14 days of signing the Contract, upon presentation by the Supplier of verifiable proof of availability of the boat ready for shipment/delivery.

- (b) 90% (80% or if advance payment is made) within 30 days from receipt by the Purchaser of the delivered boat on-site, in accordance with the Contract, including the required documents, and
- (c) 100% within 14 days from receipt of the boat by the Purchaser and upon submission of the Supplier's claim supported by the acceptance certificate issued by the Purchaser.

12. Warranty

12.1 The boat offered should be covered by the manufacturer's warranty for at least one (1) year from the date of delivery to the Purchaser.

13. Defects

13.1 The Supplier shall correct all defects at no cost to the Purchaser within 90 calendar days from the date of notice by the Purchaser. The service facility to address these defects during the warranty period is as follows:

Facility: [name of facility]

Address: [address]

14. Resolution of Disputes

14.1 The Purchaser and the Supplier shall endeavor to resolve any disagreements or disputes amicably through direct informal negotiation. If a resolution cannot be reached, the dispute shall be settled in accordance with the provisions of the **TITLE 55 – GOV'T FINANCE & CONTRACTS of the Federated States of Micronesia**, as well as applicable arbitration laws or rules of the Purchaser's country.

15. Failure to Perform

15.1 The Purchaser reserves the right to cancel the Agreement without any liability to the Supplier if the Supplier fails to deliver the Goods, in accordance with the terms and conditions, despite a fourteen (14) day notice provided by the Purchaser.

16. Force Majeure

16.1 The supplier shall not be liable for penalties or termination for default if the delay in performance or failure to perform obligations under the Contract is due to an event of Force Majeure.

- (a) "Force Majeure" refers to events beyond the control of the Supplier, not involving the Supplier's fault or negligence, and that are not foreseeable. Such events may include acts of the Purchaser in its sovereign capacity, wars, revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes.
- (b) If a Force Majeure situation arises, the Supplier shall promptly notify the Purchaser in writing, detailing the condition and cause. Unless otherwise directed, by the Supplier shall continue to perform its obligations under the Contract as far as it is reasonably possible and shall seek all reasonable alternative methods for performance not obstructed by the Force Majeure event.

17. Termination Due to Integrity Violation

17.1 The Purchaser may terminate this Contract, in whole or in part, if the Supplier is found to have engaged in integrity violations in accordance with Clause 5 [Fraud and Corruption], in connection with the procurement or execution of this Contract.

18. Accounts and Records

18.1 The Supplier shall maintain accurate and systematic accounts and records pertaining to the delivered goods in a manner customary in the industry for no less than three (3) years following the expiration or termination of this Contract.

19. Suspension of ADB Grant

19.1 In the event that ADB suspends the Grant to the Purchaser, from which part of the payments to the Supplier are made:

- (a) The Purchaser is obligated to notify the Supplier, with a copy to the Purchaser's representative, of such suspension within seven (7) days of having received ADB's suspension notice.
- (b) If the Supplier has not received payments due to it within the twenty-eight (28) days stipulated in Clause 11 [Payments], the Supplier may immediately issue a fourteen (14) day termination notice.