

PRE-CONTRACT VERIFICATION FORM

Project Name/Title:

Centralise Procurement Reference no:

Contract Value :

Supplier Name :

Contract Period Approved by Management:

Contract period recorded in Agreement:

Evaluation Report approval/Direct Award Justification approval date:

PO issued: YES / NO

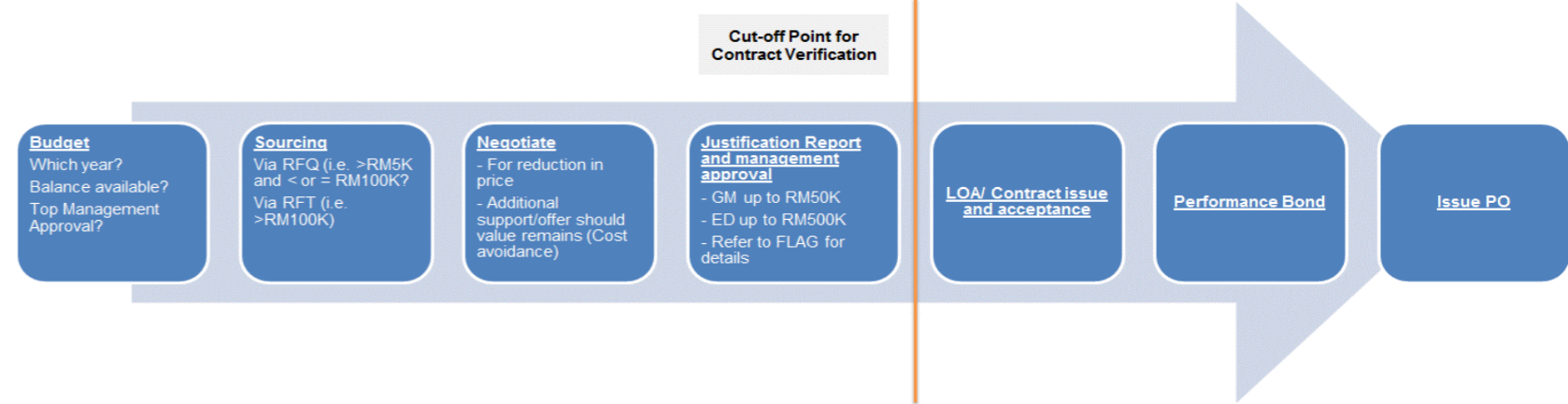
PO Date / PO no:

Job started: YES / NO

Date started:

Performance Bond Received: YES / NO

Date Received:



No	Procurement Areas of Knowledge	Explanation	As per Contract	Page No in Contract	Final documents approved by Management for this spend	Page No in the document						
1	The Goods & Services Offered	This is the offer or proposal by vendor/ supplier. (Details may contain in quotation and/or the final bids document)										
2	Bills of Quantity/ Materials	As per user's requirement in the tender document (i.e. Definable or available specifications or requirements) If Tender document is not available to confirm the availability of supplier capability in the direct award justification paper or supplier's proposal or quotation.										
3	Related scope of works	The specific tasks to be performed until its completion is being described together with the deadlines.										
4	Support & Maintenance	This is to ensure continuity of the operational availability.										
5	Warranties & Defects	Dependent on item sourced. Project team must be vigilant in identifying defects during the warranty period and ensure that repair work is done.										
6	Performance Bond	a) Purpose is to secure the suppliers' commitment to deliver and/or complete a project. UMW will be guaranteed compensation for any monetary loss up to the amount of the performance bond. b) To be provided by supplier upon their acceptance of the contract, usually stated as within 14 days of acceptance. c) Typically in the form of Bank Guarantee, with a validity period of not less than 3 months after the date of expiry of contract. d) For contract more than 1 year the value of the performance bond can be based on the yearly contract value. e) The suggested amount is as follows: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Contract value (RM)</th> <th>Performance bond (% of contract value)</th> </tr> </thead> <tbody> <tr> <td>Up to RM500K</td> <td>2.50%</td> </tr> <tr> <td>>500K</td> <td>5%</td> </tr> </tbody> </table>	Contract value (RM)	Performance bond (% of contract value)	Up to RM500K	2.50%	>500K	5%				
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7	Retention Sum	<p>a) Usually 5% or 10% of all progress payments retained for between 3,6,9 or 12 months.</p> <p>b) Purpose is to secure deliverables as per contract and acts as warranty security. Example: Goods delivered have defects and supplier declines to correct or corrects but still defective, we can offset the retention sum to maybe have the correction done by others.</p> <p>c) Sum can be released upon completion of the warranty period or certification of completion of work or repair of any defects, whichever is later.</p>																
8	Liquidated ascertain damages (LAD)	<p>Dependent on item sourced but adequate liquidated ascertain damages clauses should be incorporated in all contracts to protect the interest of UMW. Examples:</p> <table border="1"> <tr> <td>a)</td> <td>- 2.5% on the order value if delay in delivery does not exceed 7 days. - 5% on the order value if delay in delivery exceeds 7 days</td> </tr> <tr> <td>b)</td> <td>In the event the supplier fails to complete the work within the stated period liquidated damages at a sum calculated based on 0.25% of the award value for each day delayed shall be imposed.</td> </tr> </table>	a)	- 2.5% on the order value if delay in delivery does not exceed 7 days. - 5% on the order value if delay in delivery exceeds 7 days	b)	In the event the supplier fails to complete the work within the stated period liquidated damages at a sum calculated based on 0.25% of the award value for each day delayed shall be imposed.												
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9	Payment Terms	<p>The payment terms below can be used for guidance:</p> <table border="1"> <thead> <tr> <th></th> <th>Items</th> <th>Payment terms</th> </tr> </thead> <tbody> <tr> <td>a)</td> <td>Training</td> <td>10% upon issuance of Purchase Order 90% upon completion of training</td> </tr> <tr> <td>b)</td> <td>Consultancy services</td> <td>10% upon issuance of Purchase Order 80% upon progress payment upon submission and acceptance of deliverables 10% final payment upon full implementation and acceptance of all deliverables.</td> </tr> <tr> <td>c)</td> <td>Maintenance and support services</td> <td>Invoiced and paid quarterly, on reimbursable basis, e.g. after job is done in Q1, invoice and pay in Q2.</td> </tr> </tbody> </table>		Items	Payment terms	a)	Training	10% upon issuance of Purchase Order 90% upon completion of training	b)	Consultancy services	10% upon issuance of Purchase Order 80% upon progress payment upon submission and acceptance of deliverables 10% final payment upon full implementation and acceptance of all deliverables.	c)	Maintenance and support services	Invoiced and paid quarterly, on reimbursable basis, e.g. after job is done in Q1, invoice and pay in Q2.				
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10	Price variation	<p>Price variation may be necessary to adjust to prevailing market conditions and so as not to disrupt supply of major materials/components. Examples:</p> <table border="1"> <tr> <td>a)</td> <td>If forex fluctuates $\pm 10\%$ either party may ask for a price revision, which revision shall become effective only after mutual agreement.</td> </tr> <tr> <td>b)</td> <td>Any price revision proposal must be informed at least 2 months in advance. Price increase of _____ thereafter can only be considered when the price escalation of raw materials exceed 5%.</td> </tr> </table>	a)	If forex fluctuates $\pm 10\%$ either party may ask for a price revision, which revision shall become effective only after mutual agreement.	b)	Any price revision proposal must be informed at least 2 months in advance. Price increase of _____ thereafter can only be considered when the price escalation of raw materials exceed 5%.												
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11	Payment Currency	<p>a) For local SBU/OPCO the currency of payment shall be in Ringgit Malaysia.</p> <p>b) For overseas SBU/OPCO the currency of payment shall either be in United States Dollars (USD) or home currency, whichever is the more favorable.</p>																

No	Procurement Areas of Knowledge	Explanation	As per Contract	Page No in Contract	Final documents approved by Management for this spend	Page No in the document
12	Method of ordering	A Purchase Order should be made the standard ordering mechanism at all SBU/OPCO. Other than having formal records it would facilitate the collation of spend data in order to strategize planning future needs and purchases.				
13	<i>Deliverables</i>	<i>The agreed performance measurement</i>				
14	Completion Date	All contracts must have comprehensive delivery schedule and completion date.				
15	Mode of Delivery	a) Unless otherwise justified air-freight is to be avoided due to high costs. Sea and land shall be the standard modes of delivery. b) SBU/OPCO has the discretion on freight method based on the item purchased, taxes, costs and risks associated. Refer to incoterms 2000 for guidance				

Conclusion :

Procurement Areas of Knowledge only covers fifteen (15) items as stipulated in the above listing. This Contract is based on direct award justification/evaluation report/ as compared with quotation submitted/final bids submission.

Suppliers/Vendors offer/proposal and User's justification report/final bids submission only mentioned following items out of the above fifteen (15) items being verified.

- a) The goods and services offered.
- b) Scope of work.
- c) Partially mentioned about Warranty.
- d) Payment term included only in the vendor proposal paper.
- e) Completion date

The balance of 10 items were develop during the contract drafting discussion between user and supplier/vendor.