

Instruction to Tenderers

1. Interpretation

“Hong Kong” or “HKSAR”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“KMB”	means The Kowloon Motor Bus Company (1933) Limited;
“Supplier”	means the supplier to whom the Purchase Order is issued.

2. Introduction

- 2.1 Unless otherwise specified in the tender document, these standard terms are applicable to all tenders issued by KMB Purchasing Department. The same also supersedes all tenderers' selling terms.
- 2.2 KMB reserves the absolute right to shortlist, interview and appoint any tenderer(s) at its discretion. KMB is not bound to discuss with any party regarding its short listing and selection procedures or criteria.
- 2.3 The information contained in the tender document is confidential and strictly only for the use of the recipients with regard to KMB’s tender invitation. The tenderers shall not release any material or information from the tender document or from the discussions relating to this request to any other third parties.
- 2.4 Tenderers shall at their own risk and bear their own costs in providing information and preparing their proposals for the tender invitation.
- 2.5 The offer of advantage or other inducement by any person with a view to influencing the tender exercise is strictly prohibited. Any offence against the Hong Kong Prevention Bribery Ordinance (Chapter 201, Laws of Hong Kong) shall result in the rejection of the tender offer.

3. Submission of Tender Offer

- 3.1 To ensure the clarity of tender offers, the tenderers shall properly type-print their offers and state "DTQ" (decline to quote) / "UTQ" (unable to quote) to denote any of the items that are decided not to quote. Hand written quotations are not preferred.
- 3.2 Tenderers shall submit their tender offers via e-mail in KMB specified encryption format by 10:00 a.m. (Hong Kong Time) of the tender closing date (“Tender Closing Deadline”). Unless otherwise agreed, submission of tender offers by other methods will not be accepted.
- 3.3 Tenderers must obtain prior written exemption from KMB Purchasing Department before submitting tender offers via other methods. Application of exemption must be made in writing and submitted to KMB Purchasing Department before the Tender Closing Deadline.

Tenderers shall ensure all tender quotations must be forwarded to the designated tender e-mail address stipulated by KMB Purchasing Department. KMB will not be liable for the security of data sent otherwise.

Enquiries on specifications and other tender details must be made in writing and sent to the departmental fax line or the departmental correspondence e-mail address to avoid delay on reply.

Designated Fax No. & E-Mail Addresses :

Departmental Fax No. 852 2744 6219

Departmental Correspondence E-mail Address kmb.purchasing@kmb.hk

Tender E-mail Address tenders@kmb.hk

- 3.4 KMB will not accept any tender offers that arrive after the Tender Closing Deadline. All the requests for extension of deadline must be submitted within 2 days after receipt of tender document in writing with supporting reason(s) to KMB Purchasing Department for consideration. In case an extension is granted, all tender participants will be informed of the revised Tender Closing Deadline.
- 3.5 Tenderers are reminded to ensure quoting the correct specifications and availability of goods or services before submitting quotations to KMB. KMB reserves the right to charge the Supplier a compensation equivalent to 25% of the order value of the cancelled quantities of any ordered item(s) or part of the services, in case
- (i) the Supplier requests order cancellation, or
 - (ii) the Supplier's non-performance induces order cancellation
- after order confirmation / acknowledgement. KMB reserves the right to automatically deduct the said charge from any payment owing to the Supplier.

4 Price Terms

- 4.1 Tender offers shall remain open for not less than 30 days after the Tender Closing Deadline ("Price Validity Period").
- 4.2 Tenderers shall make their tender offer preferably in Hong Kong Dollar unless otherwise agreed by KMB in advance.
- 4.3 Tenderers shall quote their tender offer on two price bases for every tender item:
- (i) Unit price in Carriage Paid To Hong Kong ("CPT HK") term. Other price terms under which the Tenderers shall bear larger scope of transaction costs are also allowed. e.g. Carriage and Insurance Paid to Hong Kong ("CIP HK ") or Delivered Duty Paid ("DDP KMB") etc. This unit price will be applicable for tender requirements denoted with "SF" freight mode (i.e. line quantities to be received by sea-freight).
 - (ii) Unit price in Free Carrier to Port ("FCA to Port") term including terminal and handling charges ("THC") at origin's port. Other price terms under which the

Tenderers shall bear larger scope of transaction costs are also allowed. This unit price will be applicable for tender requirements denoted with "AF" freight mode (i.e. line quantities to be received by air-freight).

Should the tenderers be unable to comply with the above price bases, it must provide a fixed and binding FCA percentage (to be added onto their prices quoted to arrive at their FCA to Port quotes) and CPT percentage (to be added onto their prices quoted to arrive at their CPT HK quotes). These percentages shall be applicable throughout the year regardless of product range and order quantity.

If the tenderers want to revise the FCA percentage and CPT percentage for future tender offer after the first year, it must provide a 30-day notice and obtain KMB's confirmation.

4.4 The tender quantity stated on tender document reflects the probable requirements of KMB as on the date of tender issuance. KMB Purchasing Department will at its best endeavour inform the tenderers should the tender quantity be amended before the Tender Closing Deadline. Unless the tenderers explicitly declare a quantity related pricing structure in their tender offer, the tenderers shall commit to their offer regardless of order quantity.

4.5 Incomplete offer would not be considered.

4.6 KMB is not bound to accept the lowest price or any proposals. KMB reserves the right to enter into negotiations with any tenderers and/or accept any tender offer, *in whole or in part*, at any time within the Price Validity Period.

5. Delivery Leadtime and Other Quotation Information

5.1 Tenderers shall clearly state the delivery leadtime committed on their tender offer. This leadtime should be expressed in number of weeks from receipt of order to delivery into KMB / Hong Kong.

5.2 The standard payment terms for all purchase orders is 45 days by bank draft after receipt of goods or services. Should the tenderers request other payment methods, the tenderers must obtain prior consent from KMB Purchasing Department.

6. Part Numbers and Genuine Part Requirements

6.1 The tenderers shall include the following supplementary information on their tender offer if the part number offered is different to the KMB master part number provided in the tender document.

- (i) the tenderer's part number cross referencing to the original equipment manufacturer part number and / or brand name of the substitutes; and / or
- (ii) the country of origin; and / or
- (iii) detail specification of the offered part if it is not directly interchangeable with the original requirement.

6.2 The "Genuine Flag" of each tender item in the tender document indicates whether genuine part is required. This flag contains a "G" character to denote genuine part is

required. Should the tenderers offer goods other than genuine parts, the tenderers must provide all the details specified in Clause 6.1 for KMB's consideration.

7. Packaging Requirements

All goods delivered must be in suitable packaging which provides effective protection during transit, and renders efficient handling and safe storage.

8. Warranty Period and Quality Assurance

- 8.1 All goods offered (with the exception of consumable spare parts, such as Filters, Brake Linings, Drive Belts) shall be supplied with a minimum 12 months-in-use unconditional warranty.
- 8.2 The Supplier shall ensure all goods offered correspond to the current technical specification. A Certificate of Conformity must be enclosed with each consignment.
- 8.3 The Supplier shall at all time maintain an effective insurance policy against all claims, demands or liabilities in pursuance of the Purchase Order.

* * * END * * *

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To : KMB Purchasing Department

Date :

From :

We hereby confirm acceptance of KMB's General Terms and Conditions.

Authorized Signature with Company Chop