DRAFT LETTER OF AWARD

Our Ref:

[date]

[Contractor]
[Address]

Attn: Mr _____

Dear Sirs

PROPOSED _____ AT
[UNIT/ADDRESS]
FOR _____
LETTER OF AWARD

On behalf of the Employer, _____, we are pleased to inform that you have been awarded the Contract for the _____ Installation works for the above-mentioned project.

The acceptance of your tender is based on the following terms and conditions:

1.0 SCOPE OF WORKS

The Works shall comprise the supply, delivery, installation, testing, commissioning and maintenance of the _____ Installation works all as shown and/or described in the Contract Documents.

2.0 CONTRACT SUM

The Contract Sum shall be a fixed lump sum of $_____ (Singapore Dollars _____Thousand Only) exclusive of GST, which is derived as follows:

(a)	Original Total Tender Price	$_____
(b)	Less discount	$_____
(c)	Contract Sum	$_____

3.0 CONTRACT DOCUMENTS

The following folio of documents/correspondences listed hereunder shall form part of the Contract Documents: -

(a) Alpha Consulting Engineers Pte Ltd (ACE)'s letterof invitation to tender ref: _____ dated _____ to *Contractor*

(b) *Contractor's* tender offer via letter ref. _____ dated _____

(c) ACE's Tender Questionnaire No.1 via letter ref: _____ dated _____ to *Contractor*.

(d) *Contractor's* replies to Tender Questionnaire No.1 via letter ref: _____ dated _____ to ACE.

(e) ACE's Tender Questionnaire No.2 via letter ref: _____ dated _____ to *Contractor*.

(f) *Contractor's* replies to Tender Questionnaire No.2 via letter ref: _____ dated _____ to ACE.

(g) *Contractor's* Final Tender Offer via letter ref: _____ dated _____ to _____.

(h) _____'s Letter of Intent dated _____(ref: _____) to *Contractor*.

(i) This Letter of Award dated _____ (ref:_____).

4 CONDITIONS OF AWARD

You are also to comply with the following stipulations:-

4.1 Programme of Work

The Date of Commencement of the Contract Works shall be _____. The Contract Period shall be _____ weeks and you are to complete the Contract Works by _____.

4.2 Performance Bond

You are required to submit a Banker's Guarantee amounting to ten (10) percent of the Contract Sum in an approved format as Performance Bond within 14 days hereof. The Banker's Guarantee is to be issued by a licensed bank having a place of business in Singapore.

The Performance Bond shall expire at the close of banking business on the day which is fourteen (14) days after the issuance of the Completion Certificate for the whole works. A copy of the Performance Bond is to be extended to the Employer. The original receipts of premium paid shall be submitted to us for inspection. All charges and expenses in connection with the issuance and subsequent renewal, or renewal of Bond shall be borne by you.

4.3 Insurance

You shall maintain a Public Liability Insurance policy to cover your liability in respect of injury or death and/or damage to property real or personal real or personal arising out of or in the course or caused by carrying out of the works. The limit of indemnity of the Public Liability Insurance shall be S$1 Million per accident and for unlimited number of accident during the Contract Period.

You shall also maintain a Contractors' All Risks Insurance and Workmen's Compensation Insurance to indemnify yourself and the Employer against all liabilities

arising out of claims by any and every employee of your company in and for the performance of the works for payment of compensation under or by virtue of the Workmen's Compensation Act or any other law amending or replacing such Act or under the Common Law and from all costs and expenses incidental or consequential thereto.

Copies of the said Insurances shall be submitted to us for inspection.

You are advised to review these policies and to take up any additional insurances which you may deem necessary to cover for any risk and liabilities which have either been excluded from or inadequately covered by the said policies. You shall also be responsible for paying any excesses attributable to you under the aforementioned policies.

4.4 Terms of Payment

The payment for the Contract Sum shall be made progressively based on the valuation by us of your monthly progress claim in accordance with the Conditions of Contract. You are required to present your monthly progress claim of works completed to us, in time for checking and inclusion in our monthly valuation of works completed and in any event not later than the _____ day of each month.

4.5 Retention Monies

Upon issuance of the Completion Certificate, the Employer will retain 5% of the Contract Sum for the whole duration of the Maintenance Period or Defects Liability Period.

The retention monies will be released at the end of the Maintenance Period or Defects Liability Period after the issuance of the Maintenance Certificate or Final Completion Certificate for the whole works, whichever is the later.

4.6 Maintenance Period

The Maintenance Period and Defects Liability Period will run concurrently and shall be twelve (12) months.

4.7 Liquidated Damages

If you fails to complete the Contract works or any section within the period specified or any extended period provided, you shall pay a penalty of S$500 per day(inclusive of Sundays and Public Holidays) to the Employer as Liquidated Damages. The Liquidated Damages shall be counted from the date after the Contract Completion Date or any extensions granted to the issuance date of te Completion Certificate.

4.8 Compliance with Specifications & Drawings

You confirm that your works will be carried out in full conformity with the Contract Documents and that all terms, conditions, qualifications and technical deviations previously submitted by you have been withdrawn, except where specifically set out in this Letter of Award.

Notwithstanding any information and technical particulars submitted during tender stage, all materials, equipment and installations shall comply, in quality and performance, with the Contract Specification and Drawings unless otherwise agreed

by the Employer. All materials, equipment and installations offered shall be acceptable to the relevant Authorities concerned.

4.9 Technical Staff

You shall nominate a suitably qualified and competent Project Manager/Engineer who shall be solely responsible for co-ordination, liaison with us, attend site meetings and be in charge of the whole Contract Works full-time on site for the our acceptance.

Notwithstanding the nominations of Project Manager/Engineer and site staff made by you, they shall be subject to our approval. In the event that any of your nominees is not approved, you agree that he/she shall be replaced by other suitable person to our acceptance.

4.10 Shop Drawings

The Contract Works shall include the production of all shop drawings necessary for the purpose of obtaining full approval of the Employer and for the proper execution of the Contract Works.

You shall submit to us, within one (1) week from the date of this letter, the required shop drawings for review. Submissions of shop drawings shall include all corresponding engineering calculations where applicable. No fabrication and/or installation shall take place before we have reviewed without further comments on the shop drawings.

Three (3) copies of this letter are enclosed herewith. You are to return the original and one (1) copy duly signed and witnessed where indicated and retain the other copy for your own records. This Letter of Award together with the Documents listed as Contract Documents shall constitute a legal and binding contract between you and the Employer.

Yours faithfully

cc Client/Employer

PROPOSED _____ AT
[UNIT/ADDRESS]
FOR _____
LETTER OF AWARD

CONFIRMATION

I/We, the undersigned, hereby acknowledge receipt of the Letter of Award ref. _____ dated _____, and confirm hereby that the terms and conditions of the said Letter of Award are fully agreed to by us.

CONTRACTOR	WITNESS TO CONTRACTOR
AUTHORISED SIGNATURE	SIGNATURE
NAME OF AUTHORISED SIGNATORY	NAME OF WITNESS
DESIGNATION	
ADDRESS:	ADDRESS:
DATE	DATE

COMPANY STAMP: