

REF: BRE-MEP-BZT/LOI-DG 2016/2-CW

Date: ~~October 31, 2016~~ 29/11/2016

To

Messrs. Cross World Power Ltd.

House # 06, Road # 92,

Gulshan - 2,

Dhaka - 1212, Bangladesh.

Attn. : Mr. Md. Moshir Rahman, AGM, Sales.

**Subject : Letter of Intent for Supplying, Installing, Testing & Commissioning
2X500 kVA and 1X250 kVA Prime rated Diesel Generator set for Borak Zahir
Tower Project.**

**Ref. : 1. Your Price Offer - ref: CWPL-AM/2524/16-R01F, dated 3/10/16
2. Final Bid Appraisal - Dated 16/10/2016**

LETTER OF INTENT

Dear Sir,

With reference to your offer dated as mentioned, our subsequent discussion and final negotiation with you held on 16/10/2016, the management of **Borak Real Estate Ltd.** is pleased to issue this **LETTER OF INTENT** as an acknowledgement to accept your price offer and come under a contract agreement to purchase the below mentioned Diesel Generator Sets.

Diesel Generators:

Brand: Tempest

Model: PM500 AND PM250(NEW)

1. 500 kVA Prime - 2 sets
2. 250 kVA Prime - 1 set

Total negotiated price offer:

Import value of Generators: GBP 92,500.00 (GBP Ninety Two Thousand and Five Hundred Only)

Local Works Port Charges and Installation value: BDT 7,490,000.00 (BDT Seventy four Lac and ninety thousand Only) This price included the VAT & AIT as per Bangladesh Government rules and regulations.

Overall warranty period: 24 months after commissioning or 2000 running hours whichever occurs earlier.

Shipment Time: 10 to 12 weeks from the date of UPAS L/C Acceptance.



Terms and conditions:

1. LC shall be opened by Owner on behalf of vendor. All the related costs i.e. CD, Taxes, Shipment & port charges, C & F commission etc. will be borne by vendor.
2. Supplier confirmed the quality of items
3. PSI (Pre-shipment inspection) of Generators by Two engineers from Owner (all related cost will be borne by Vendor).
4. Local installation price will be as per measurement and Lump Sum cost will not be changed, if any.
5. Payment Terms:
 - a. Foreign currency will be paid through LC
 - b. Local part (Installation & Commissioning) as follows:
 - i. 20% amount from local part as advance against bank guarantee / Bank cheque & and the amount will be adjusted from first three R/A bills.
 - ii. 80% will be cleared based on work progress.
 - iii. 10% of grand total amount or equivalent amount performance bank guarantee / security cheque will be kept as retention till warranty from the date of commissioning.
 - c. VAT/AIT is included with local price.
6. Emergency response time – 2 hours. In case of failure of responding within this time for 3 times will cause a deduction from performance bank guaranty at a rate of 5% for each occurrence.

The contractor shall be liable to pay the customs, inland transportation, insurance and loading/unloading and during the process of transit all the responsibility shall remain with the contractor.

You are requested to revise your offer as per final negotiation, submit all technical specifications in detail, submit all drawings, prepare and submit your local works schedule along with material submittal and finalize all other terms and conditions to prepare the contract agreement at earliest.

You shall receive all necessary instructions from

1. Chief Engineer - MEP, BREL, represented by Mr. Zakir Hossain (+8801713 178886), z.hossain@borakbd.com
2. COO, Borak Real Estate, Mr. S. Senthil Nathan (+8801713178901), senthilnathan@borakbd.com

This Letter of Intent supersedes any condition laid down in any communication made between us, if contradicted. This LOI shall constitute a binding contract between us.

Please confirm receipt and acceptance of this Letter of Intent by returning a signed copy of this letter to our office within the next 24 hours



Please arrange to submit the following documents within 07 days from acceptance of Letter of Intent:

- Revised offer as per final bid appraisal
- All technical catalog
- Installation related drawings
- Work Program - Delivery schedule, Installation and testing commissioning completion.
- Resource mobilization Schedule
- Work Methodology
- Pro-forma Invoice (PI)
- Site Specific Safety Plan

Please note that, this Letter of Intent is not a work order/Contract, The Work Order/Contract document shall be issued in the due course.

Thanking with regards,


S. Senthil Nathan
Chief Operations Officer,
Borak Real Estate Ltd.

We hereby acknowledge receipt of the Letter of Intent and confirm our acceptance of the same.

FOR AND ON BEHALF OF **Messrs. Cross World Power Ltd.**

Name: _____

Date: _____

Signature: _____

(Authorized Signatory with stamp)

