

**SINGAPORE AIRLINES LIMITED
COMMERCIAL SUPPLIES DEPARTMENT**

TERMS AND CONDITIONS OF TENDER

1 TERMS OF APPLICATION

Application of tender by contractor/supplier constitutes acceptance by contractor/supplier of all terms and conditions printed on this form and all other schedules which are attached.

2 TENDER AMOUNT

Amount tendered by contractor/supplier and filled in space "AMOUNT TENDERED" on the form shall be the amount agreed to upon appointment of contractor/supplier. The amount shall not be varied in any way.

3 ITEM & REQUIREMENT

The item and quantity are listed in item specification. The annual requirement is an estimate only and the successful tenderer is required to make available the quantity when required.

4 COMPLETION OF TENDER APPLICATION FORM

Tender Application Form (Bid Form) is to be completed by entering the tender prices and other particulars in the space provided. The tenderer must insert the words 'No Quote' against item not tendered. No space in Tender Application Form (Bid Form) should be left blank. The tenderer must sign and affix their company's stamp on the bottom right-hand corner of every page of the tender application form.

5 NO PRICE INCREASE

No price increase will be allowed once the tender has been submitted.

6 TENDER PRICE

6.1 The pricing for the goods to be supplied or services to be rendered shall be exclusive of any Goods and Services Tax ("GST"), i.e., prices quoted do not include any GST component. Tenderers must also indicate whether they will be charging SIA any GST for the supply.

6.2 SIA will not entertain any negotiations on price once a tender has been submitted. The price quoted shall be treated as the last price the tenderer is prepared to offer. Tenderers are therefore reminded to quote their best and last price when tendering.

6.3 Notwithstanding the above, should a change in specifications occur after a tender has been called and such change may have an effect on price, SIA may under such circumstances negotiate the price.

6.4 The successful tenderer may not amend its bid price during the contract period. Any increase in its costs of production or in other aspect may not be passed on to SIA by way of an increase in the awarded price or a change in the goods and/or services to be provided.

7 VALIDITY PERIOD

The Tenderer's offer shall be valid for a period of 6 calendar months from the closing date of the tender. On expiry of the tender, the tenderer shall, if SIA so requires, extend the validity of the offer for a further period to be mutually agreed upon.

8 **YEAR 2000 COMPLIANCE**

The successful tenderer hereby warrants and will further cause all its software suppliers, integrators, vendors and consultants to warrant or certify in writing as appropriate, that their products and services are Year 2000 compliant and will continue to work up to, through and beyond the Year 2000.

9 **ACCEPTANCE OF TENDER**

Singapore Airlines Limited shall not be bound to accept the lowest or any tender, nor is it liable for any claim for whatever costs which may be incurred in the preparation of the tender. Singapore Airlines Limited shall reserve the right to accept the whole or part of the tender.

10 **SECURITY DEPOSIT**

The successful tenderer shall pay a security deposit in Singapore currency only equivalent to five percent (5%) of the value of contract. If the deposit is below S\$2,000.00, the amount shall be paid by a crossed cheque (for local tenderers only) or bank draft (for local and **overseas** tenderers) made out in favour of Singapore Airlines Limited. Should the deposit be S\$2,000.00 and above, a banker's guarantee in Singapore Airlines' standard format (specimen provided) duly stamped, if required by Law, will be acceptable. This deposit shall be retained for the duration of the contract and shall, after damages, if any, have been deducted, be refunded to the successful tenderer at the end of the contract in Singapore currency. No interest shall be paid on the deposit and any gain or loss resulting from currency exchange shall be borne by the successful tenderer.

11 **CONTRACT**

The successful tenderer is required to enter into a contract within two weeks from the date of the award of the contract, failing which SIA reserves the right to award the contract to another tenderer. The contract shall commence with effect from the date of the letter of award from SIA.

12 **DURATION OF CONTRACT**

12.1 The contract if awarded shall be in force for a period of 24 months. SIA reserves the right to extend the contract for a further period.

12.2 SIA may, however, terminate the Contract by giving the successful tenderer three months' notice in writing provided, however, no notice will be necessary where SIA terminates the Contract on grounds of default by the successful tenderer. The successful tenderer shall, however, be bound to accept orders for the supply of the items until the expiry of the notice. All orders received during the notice period must be completed by the successful tenderer in accordance with provisions of the applicable Contract.

13 **TERMINATION OF CONTRACT**

When the successful tenderer defaults in the performance of the contract, SIA reserves the right to cancel the contract.

14 **ASSIGNMENT OR TRANSFER**

SIA shall, after notification in writing to the successful tenderer, be entitled to assign or transfer the whole or any part of the contract to a subsidiary or associate company of SIA.

15 **NO SEPARATE CONTRACT FOR DELIVERY PERIOD NOT EXCEEDING THREE MONTHS**

For purchases where no contract has been signed and where the delivery period does not exceed three months, the terms and conditions in the SIA tender documents shall constitute a contract between SIA and the successful tenderer.

16 **STAMP DUTY**

Stamp duty payable on the contract is to be borne by the successful tenderer.

17 **DELIVERY**

17.1 The estimated annual quantity shall be delivered upon the issue of purchase orders as and when required during the term of the Contract.

17.2 The items ordered must be delivered to any delivery point/points in Singapore and/or in other countries as specified by SIA upon issue of the purchase orders to the successful tenderer.

17.3 All orders received during the term of the Contract must be completed by the successful tenderer at the contract price notwithstanding that delivery is to be made after the expiry of the Contract.

17.4 Delivery of goods must be made within the stipulated date/dates as stated in the SIA Purchase Orders. A grace period of up to 7 days may, at SIA's discretion, be granted for late deliveries (Sundays and Public Holidays inclusive) after which the successful tenderer will be liable to pay liquidated damages as set out herein.

18 **LIQUIDATED DAMAGES**

18.1 Liquidated damages for late deliveries of items ordered shall be 1% per calendar week in respect of the total value of the quantity due for delivery.

18.2 Liquidated damages shall also apply in cases where staggered deliveries are required, i.e. a grace period of up to 7 days may, at SIA's discretion, be granted for late staggered deliveries (Sundays and Public Holidays inclusive), after which the successful tenderer shall be liable to pay liquidated damages as set out herein.

18.3 The liquidated damages shall be imposed up to a maximum of 10% of the contract value.

19 **PURCHASES IN DEFAULT FROM ALTERNATIVE SOURCE(S)**

19.1 On expiry of the grace period for late delivery and/or on expiry of the normal delivery leadtime for replacement of defective goods and/or rectification of any type of defects, SIA may, without any further notification to the successful tenderer, purchase such item(s) which has/have not been supplied and/or replaced/rectified from other source(s) and recover damages (including but not limited to the price difference) from the successful tenderer. For the avoidance of doubt, should the price charged by the alternative source(s) be lower than that charged by the successful tenderer, the successful tenderer shall not be entitled to claim the price difference from SIA.

19.2 Such purchases in default shall be made as many times as it is necessary to do so to prevent disruption of supplies.

19.3 If purchases are made in default, then liquidated damages shall also be charged based on the period of delay between the date on which the delivery was supposed to have been made by the successful tenderer (including grace period, if any), and the date on which the delivery was actually made by the alternative source(s).

20 **PACKING AND PACKAGING**

- 20.1 The goods must be suitably packed and packaged for seafreight or airfreight depending on the applicable transport mode in accordance with SIA's specifications and/or standard trade practices and/or mandatory requirements.
- 20.2 The successful tenderer is liable for damages resulting from inadequate packing and packaging. Packings to be used for foodstuffs shall comply with the hygienic, sanitary regulations in force at the country of origin. All wrappings shall bear the life expiry date of the item, if applicable.

21 **QUALITY AND REJECTION OF ITEMS**

- 21.1 The quality of the items supplied shall be in accordance with the approved sample/specifications accepted by SIA at the time of tender. No alterations to such specifications may be made without the prior written consent of SIA.
- 21.2 In the event where the items supplied fail to meet the stipulated specifications, SIA reserves the right to reject such items and the successful tenderer will be required to replace the rejected items with items of the correct specifications. The replacement must be made within the agreed dates and no additional charges can be levied upon such replacement.
- 21.3 SIA may conduct random quality checks on the items. For such quality checks, expenses will be incurred. If the items so checked do not meet the quality standards of SIA, SIA may conduct further checks (on up to 100% of the items delivered) to ascertain the quality. The Tenderer will reimburse SIA the costs of manpower, time and other materials which SIA expends to conduct such quality checks. SIA may deduct or set off such costs from the Tenderer's security deposit and/or outstanding invoices with SIA under advice to the Tenderer.

22 **WARRANTY**

- 22.1 The successful tenderer warrants that the items supplied fully conforms to the order made and that it is suitable for the use for which it is intended and is free from any defects whatsoever.
- 22.2 The successful tenderer guarantees the item(s) supplied under the contract against any defect in manufacture, or any defect arising out of faulty materials or workmanship.
- 22.3 If the characteristics of the quality are not specified in the part number description, the supply shall be of the best commercial quality. Supplies in respect of which a specific warranty is requested shall be accompanied by the relevant Certificate(s).
- 22.4 In case of any minor defect or discrepancy which does not jeopardise the final use of the supply, SIA has the right, at its option, to request a correction of such a defect or discrepancy by and at the expense of the successful tenderer or have a reduction for the price payable for the supply.

23 **INTELLECTUAL PROPERTY**

- 23.1 The drawings, samples, models, equipment, sketches, photo-colours, printing plates supplied or approved by SIA shall not be copied, transferred to third parties or used in any manner whatsoever contrary to the provisions of the contract. Upon completion of the last delivery to SIA, the above material(s) shall be returned to SIA.

23.2 The successful tenderer fully covenants to SIA that the supply of the item(s) has not been and will not be produced in infringement of any intellectual property right including patent, trade mark or copyright and the successful tenderer shall indemnify and hold SIA, its servants and agents free and harmless from any prejudice, damages and expenses, including legal expenses incurred as a result of claims or legal proceedings brought against SIA, its servants or agents in connection with the foregoing. In the event that any legal proceeding is instituted for an alleged infringement of intellectual property rights, SIA reserves the right to cancel immediately all items yet to be accepted by SIA at SIA's premises and to purchase all such items from elsewhere without prejudice to all or any of SIA's rights in this tender.

24 **EXCLUSIVITY OF ITEMS**

The successful tenderer is forbidden from disposing of any item(s) which carries the SIA logo, logo-type and/or name which is exclusively designed/produced for SIA, to a third party through sale, gift or any other means.

25 **PLACEMENT OF VENDOR'S/MANUFACTURER'S NAME, BRAND NAME AND LOGO**

Unless instructed or mutually agreed upon in writing, the successful tenderer shall in no way display his company's name, logo, brand name or any other representation on the item(s) being supplied to SIA.

26 **PROVISION FOR BACK-UP STOCK**

26.1 In order to ensure a continuous supply of the items to SIA, the successful tenderer will be required to hold at least 1½ months' stock, (calculated on a pro-rata basis on the estimated annual requirement) at any one time in their warehouse to meet SIA's urgent requirement. SIA, however, shall not be responsible for either the expenses arising out of the provision and maintenance of such warehousing facilities or the security of goods contained therein. SIA shall upon expiry or termination of this contract undertake to accept the balance of these stocks, if any, provided such balance stocks are not in excess of the 1½ months' quantity.

26.2 If the successful tenderer fails to hold 1½ months of stock in his premises at any one time, SIA reserves the right to purchase the equivalent quantity of stock from another supplier to build up the required stockholding. The cost of purchases and the expenses incurred will be debited to the incumbent tenderer's account.

26.3 The purchase to build up this stockholding will be made as many times as is necessary to maintain the 1½ months' stockholding.

27 **SPARE PARTS (WHERE APPLICABLE)**

27.1 The successful tenderer hereby guarantees that spare parts necessary for the efficient working of the equipment shall be made readily available for a period of ten (10) years.

27.2 The successful tenderer shall not be relieved of his obligations should there be a transfer or change of agency for any reasons whatsoever.

28 **TERMS OF PAYMENT**

SIA will pay the successful tenderer within 45 days of receipt of the successful tenderer's invoice or upon receipt of the items by SIA, whichever is the later.

29 **INDEMNITY**

The successful tenderer hereby agrees to indemnify and hold harmless SIA, its agents and servants from and against all liabilities, claims, damages, losses, costs and expenses (including but not limited to those in respect of death or injury to any person or loss of or damage to property) arising out of or in any way connected with the item(s) and/or the use of the item(s) supplied by the successful tenderer.

30 **LIABILITY FOR DAMAGES**

The successful tenderer assumes all liabilities for damages of any kind whatsoever suffered by any person and/or property of SIA, its servants or agents or third parties, during and as a result of any service to be performed in the premises or offices of SIA caused by the successful tenderer's employees, agents, servants or their representatives.

31 **GIFTS, INDUCEMENT AND REWARDS**

31.1 All tenderers are advised to refrain from offering gifts and rewards in any form or manner to any SIA employee in relation to the obtaining or execution of any contract with SIA, whether or not the like acts are performed by the tenderer(s) or persons acting on his/their behalf with or without the knowledge of the tenderer(s).

31.2 SIA shall terminate the contract, forfeit the deposits and debar the tenderer(s) for any appropriate period of time if it is proven that the tenderer(s) has/have offered and/or given gifts and rewards in obtaining or in execution of any contract.

32 **APPLICABLE LAW AND VENUE**

32.1 The business relationship emerging from the contract shall be governed by and interpreted in accordance with the laws of the Republic of Singapore, and the parties hereto hereby submit to the non-exclusive jurisdiction of the Courts of the Republic of Singapore.

32.2 Any dispute, controversy or difference will first be referred to the Singapore Mediation Centre within fourteen (14) days from the time it arises, in accordance with the Mediation Procedures, unless any party serves a written notice ('the Notice') on the other party and the Singapore Mediation Centre stating that it will not submit the matter to mediation, or that it will submit the dispute for arbitration or litigation. The parties will participate in mediation in good faith and will abide by the terms of any settlement reached.

The right to arbitration or litigation arises when one party serves the Notice on the other party and the Singapore Mediation Centre.

33 **ENFORCEABILITY**

If any one or more of the foregoing conditions shall to any extent be invalid or unenforceable, the other conditions shall remain in full force and effect.