



**Yap State Public Service Corporation**  
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## **CLARIFICATION # 3**


**Date:** 3/4/2025

**Bid Reference No.:** YSPSC-ITB-02-2025

<b>Clarification No.</b>	<b>Section in Tender Spec</b>	<b>Clarification Description</b>	<b>Clarification Response</b>
1	Section 2.2 Submission Instructions	<p><b>Bids are required to be mailed or hand-delivered in sealed envelopes and to be received by the bid closing date.</b></p> <p>We kindly request that email be accepted as a valid form of bid submission. The requirement for hard copy submissions necessitates the bids be sent several weeks or days in advance, which can restrict bidders' ability to prepare comprehensive proposals and may limit participation. Allowing email submissions would provide bidders with additional time and is expected to encourage greater participation. If needed, the hard copy can be shipped on the same day the bid is due.</p>	<p><b>Instead of mailing or hand-delivering bids in sealed envelopes, bids may be sent via email or other electronic platform to be received no later than the Bid Closing Date.</b></p>

2	Performance Security Bond	<p>Based on the total value of the contract, a performance security bond may be required until system commissioning and final acceptance. The performance security bond will be in the form of:</p> <ul style="list-style-type: none"> <li>a. a bank guarantee or irrevocable letter of credit equal to the value of the contract, issued by a reputable bank; or</li> <li>b. 10% of the total contract payment held as retention money until final acceptance.</li> </ul> <p>The form of the performance security bond is to be negotiated at the contract award stage.</p> <p>If bidders choose 10% retention instead of a bank guarantee, would the client consider releasing the full retention amount after equipment inspection and acceptance? Given that the contract pertains to supply and delivery, it would seem reasonable to release final payment upon delivery acceptance.</p>	<p>A bidder may opt to provide a bank guarantee or LOC in order to avoid the 10% payment retention. But as YSPSC needs to maintain some form of security until final acceptance of supplies, it cannot payout the 10% retention until after final acceptance of supplies.</p>
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3	<p>Defects Liability Period 9.13</p>	<p>Defect liability period</p> <p>9.13 During a period of 12 months, calculated from the date of completion of the works, the Contractor shall be bound to YSPSC by a defect liability period. During this period, the Contractor shall finish the work outstanding, if any, and execute all such work of repair, amendment, reconstruction, rectification. Further, the Contractor shall make good defects, imperfections, shrinkages, or other faults as may be required of the Contractor in writing by YSPSC. The Contractor shall also be liable for any damage to the works</p> <p style="text-align: center;">Page 6 of 12</p> <p>occasioned by him in the course of any operations carried out during the defect liability period.</p>	<p><b>Appendix I posits general terms and conditions that are standard in YSPSC contracts. So those provisions of Appendix I that are clearly intended to apply to Works contract will not apply in this case, as this will be a contract for supply of goods only.</b></p>
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Thank you,  
  
 Belinda R Gilmatam  
 Purchasing Officer