



Sri Lanka State Trading (General) Corporation Ltd

Procurement Agreement

with

.....
As a National Level Manufacturer/Brand Owner/Distributor

Agreement Number : STC/AG/Pro/2023/...../.....



0112 2422341 / 2440880



lankagen@sltnet.lk



**No. 100, Nawam Mawatha,
Colombo 02.**

Procurement Agreement For National Level Manufacturers,

Brand Owner & Distributors

This Agreement entered into at Colombo in the Democratic Socialist Republic of Sri Lanka onday of Two Thousand and Twenty-Three (2023)

BY AND BETWEEN

SRI LANKA STATE TRADING (GENERAL) CORPORATION LIMITED a fully Government owned Company duly Incorporated under the laws relating to State Companies of Sri Lanka and having its registered office at No.100, Navam Mawatha, Colombo – 02 in the said Republic (hereafter referred to as “STC” which terms or expression as herein used shall where the context so require or admit mean and include the **SRI LANKA STATE TRADING (GENERAL) CORPORATION LTD** its successors and its permitted Assigns) of the **First Party**.

AND

..... is a Company duly incorporated under the in Sri Lanka bearing Registration No. and having its registered office at (hereafter sometimes referred to as “Second Party” which term or expression as herein used shall where the context so require or admit mean and include the and its successors and its permitted Assigns of the **Second Party**.

WHEREAS STC is a fully government owned, well established organization functioning under the purview of the Ministry of Industry & Commerce has been in the business over more than 50 years whilst catering to both public and private sector.

AND WHEREAS the second party as registered supplier of the First Party and to maintain cordial business relationship between parties. It is hereby agreed by and between parties to enter into an Agreement and comply with the terms, conditions and obligations herein contained.

NOW THIS AGREEMENT HEREBY WITNESSETH AS FOLLOWS:

Nature/ quality of the products

- 1) The Second Party shall only quote or/and Supply Brand New Genuine products Authorized by the Manufacturer.
- 2) The Second Party shall offer Channel or/and Genuine Products of Manufacturers in Price Lists with Control Selling Price, and Distributed Price or Discount Percentage for STC from the Retail Price needs to be clearly mentioned in Price List and Needs to be updated frequently.

3) The First Party will only consider purchasing Branded Products from the Second Party falling under following categories.

- a. National Level or International Manufacturer, Brand Owner
- b. Sole agent
- c. Sole Distributor in Territory
- d. Distributor
- e. Direct Importers authorized by the Manufacturer to supply to First Party.

4) Second Party may agree to provide Credit Facility Limit for Purchases up to RS..... For period of Days to the First Party. And First Party agrees to set off the balance before generating the new purchase orders during the period.

4.1) The Second Party should always ensure product quality, durability and finishing and safety standards according to national/international standards for the Products Manufactured and supplied when the Second Party is a Local Manufacturers or/and Supplier.

5) The supplier (Second Party) warrants that the product sold and delivered to the first party (STC) confirms to the (Comply to) specifications as well as the technical and quality standards required and free from manufacturing defects. In Case of manufacturing Defect, product shall be replaced by the second party (supplier) within 14 from the date of notice to supplier without additional cost to the first party, otherwise reimburse the first party for the cost of the product found to be defective or damaged.

5.1 The Second Party should always ensure to include Warranty terms and service terms of customer in Price Lists, Second Party's Quotation and First party's Purchase order need to reflect in Second Party's invoices at all times. (When there is a discrepancy in warranty terms, always considered terms mentioned in price quotation will be considered as final)

5.2 The Second Party should always ensure their Products should have required guarantee/warranty according to the industry standards. When there is a discrepancy in Warranty Claims to the First Party, Second Party is bound to Provide Warranty Claims within a period of 14 days on a written request by the First Party. First Party has full rights to claim full item value as a claim if Second party doesn't reply within 14 Days warranty Claim. Claim can be deducted either from any business transaction value or as a Claim.

5.3 All Electrical & Electronic Equipment; Electronic Items should carry 1 Year Minimum Warranty Period from the First Party Invoice date to the end customer. Other categories of Products should have required guarantee/warranty according to the industry standards. Eg: AC Compressor 5 years.

5.4 Second Party should ensure availability of Spare parts for the Supplied products during the lifetime of the product.

The Quotation, Purchase Orders & Payment related details

6) The Second Party shall offer Volume Discounts based on Requirements of the First Party which needs to be reflected in Second Party's Quotation, and Commercial Invoice with Free Issues & Discounts.

7) The Second Party should always be shown separately the charges including Installation Charges or any other charges in the quotation. if applicable; Return policy for the products to be mentioned clearly in quotations of the Second Party.

8) Supplier should always ensure the prices quoted for the products are competitive distributor level prices according to the market prices and valuable for the quoted price.

9) If the Second Party supplies/Products liable for VAT, Valid VAT Certificate needs to be submitted.

10) Second Party should always ensure delivery of Price Lists to the First party on Accepted intervals. Offer validity should be available 30days and Minimum of 7 – 14Days in special cases.

Credit Period: Offers with 30 – 45 Days Credit facilities will be given priority.

11) When lifetime of a product is applicable, more than 85% of lifetime needs to be available at the time of supply to the end customer.

12) If the Second Party completes the Business Transaction successfully for a Consignment or Purchase Order within agreed period (Goods supplied to be 100% acceptable and comply with the STC requirement and Commercial invoice to be supplied along with serial numbers and with warranty terms when available to define as accepted) , first party agreed to pay the value of Consignment or Commercial Invoice value of the Business transaction within the agreed credit period. If the Second party does not receive payment from first Party within 7 days after achieving the Agreed credit period, Second party may write to the First Party of their concern and stop further business transactions until first party settles the value.

12.1) Demurrage Charges: When there is a business transaction between 1st and 2nd Party , 2nd party shall always ensure to deliver products on agreed time period in Purchase order of the 1st Party. IF 2nd party cannot fulfill the requirement, 2nd party shall reply immediately in response to purchase order stating the delivery period. In the event of occurrence of demurrage charges due to not completion of order within

the agreed period, 1% delay charge per week, maximum up to 10% will be deducted from the Invoice Value.

13) Rebates and Compensations on Business value or on Payment Completion to be disclosed to the Management via lankagen@sltnet.lk and deposited to Sri Lanka State Trading (General) Corporation Ltd Bank Account with following Reference : “Rebates “ + <indicate Principal name or Brand Name>

Sri Lanka State Trading General Corporation

Bank Name : Peoples Bank

Branch : Corporate Banking Division

Account Number : 004-1-001-2-0210918

Reference : “Rebates “ + <indicate Principal name or Brand Name>

14) Returns and Money back to be accepted by the Second Party within 14 Days of Purchase and notification by the First party if the Customer refuses to accept the Goods due to product quality matter, defective items or incompatibility with required specifications of the first party. All Expenses of the return process to be borne by the Second Party. First Party has full rights to deduct Value of Defective items delivered with the order immediately from the available liability to the Second Party if those are not replaced with Brand New items within period of Maximum 14 Days of purchase.

14.1) Second party shall not to be sublet the Contract, Supply or Sourcing at any time or any manner without acknowledgement of the same to the First Party ,STC procurement Division with a Copy to General Manager through our general email address lankagen@stc.lk prior to commence of the Contract, Supply or Sourcing.

Bidding process

15) Close family relations or business associates of STC Management or Staff engaged in procurement process, including STC Marketing Divisions, STC Procurement Divisions will not qualify for bidding.

16) Suppliers/contractors are liable to be disqualified from the bidding process if found offering any gift or inducement which may have an effect of influencing a decision or impairing the objectivity of an official.

17) The Second Party shall always ensure to protect tender terms and regulations imposed by the Sri Lanka National Procurement Commission, National Treasury Circulars, and Laws of the Democratic Socialist Republic of Sri Lanka.

18) Parties should maintain transparency in procurement process, while avoiding corruption and to cater the customer requirements with quality products at affordable prices.

Confidentiality

19) First party and the second party, including their officials shall ensure that they maintain strict confidentiality throughout the process. (the term 'Officials' shall be interpreted as any officer or any other person who is engaged in any activity related to a specific Procurement Action).

Corruption

20) The officials involved in a Procurement Action shall not abuse their powers to derive benefits for oneself or one's close family or close business associates, would be deemed to be engaged in corrupt practices.

21) The parties and its officials shall declare his/her interests and disassociate him/her from the process.

22) The Second Party shall refrain from offering any personal gain to any officer related to any Procurement Action.

23) No gifts or inducement shall be accepted by any party.

Conflict of Interest

24) The parties and Officials shall declare that they shall remain without a conflict of interest throughout the process.

Applicable law

25) The laws applicable to the Agreement shall be the Laws of the Democratic Socialist Republic of Sri Lanka.

26) This Agreement shall be valid for a period of two (2) years commencing from.....

27) The terms and conditions set out in this agreement are effective until the termination date and First Party may terminate this agreement by giving Two (02) calendar month's written notice to the Second party. Termination of this Agreement shall be made without prejudice to the accrued rights and liabilities of the Parties at the date of termination, unless waived in writing by mutual agreement of the Parties.

28) Neither party shall assign or delegate its rights and obligations under this agreement or any part hereof without prior written consent of the non-assigning or non-delegating party.

29) In the event that either party is unable to perform its obligations under this agreement as a result of a Force Majeure, neither party shall be liable to the other for direct or consequential damages resulting from lack of performance. "Force Majeure" shall mean fires, earthquakes, floods, acts of God, strikes, work stoppages, or other labor disturbances, riots or civil commotions, acts of terrorism or other hostilities, litigation, war or other act of any foreign nation, power of government or

governmental agency or authority, or any other cause like or unlike any cause above mentioned which is beyond the control of either party.

30) If any of the provisions of this AGREEMENT becomes invalid or unenforceable in any respect under the law the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

31) Any Notice required to be served hereunder shall be deemed to be sufficiently served on the Parties hereto addressed and sent under Registered Post to the addresses at the beginning hereof.

32) In the event of any doubt, dispute or difference arising between the parties hereto concerning this AGREEMENT or any matter of whatsoever nature arising under this AGREEMENT matter shall be directed to courts of Sri Lanka holding competent jurisdiction.

33) Both parties shall entrust terms of the agreement on all the process and of the transactions.

IN WITNESS WHEREOF the **First Party** and **Second party** have caused their Common seals be affixed hereunto and to one other of the same tenor and dated Colombo on this day ofTwo Thousand and Twenty Three (2023).

SIGNED BY
(First Party)

CEO/General Manager
/MD/Chairman

(PLACE OFFICIAL Seal)

SIGNED BY
(Second party)

CEO/General Manager
/MD/Chairman

(PLACE OFFICIAL Seal)

Witnesses:

Signature :

Name :

NIC No :

Address :

(PLACE OFFICIAL Seal below)

Witnesses:

Signature :

Name :

NIC No :

Address :

(PLACE OFFICIAL Seal below)