Dominica Geothermal Development Company Limited

CONCERNING BIDDING DOCUMENTS
FOR

DESIGN, SUPPLY, AND INSTALLATION
PROCUREMENT OF

(i) New 2.2kV/11kV/33kV/69kV Substations and
(ii) New 11kV/33kV/69kV OHL and UGC Transmission Lines
(Geothermal Power Plant to Fond Cole)

REFERENCE: DM-DGDC-384816-CW-RFB

Response to Bidders' Questions

Response No. 10

February 28 , 2024

No.	RFB Ref.	Question or Comment	Owner’s Response	Attachment	Supporting Clarification or Addendum
173	RFB Part 1 14. Taxes and Duties	**14. Taxes and Duties** 14.1 Except as otherwise specifically provided in the Contract, the Contractor shall bear and pay all taxes, duties, levies and charges assessed on the Contractor, its Subcontractors or their employees by all municipal, state or national government authorities in connection with the Facilities in and outside of the country where the Site is located. 14.2 Notwithstanding GCC Sub-Clause 14.1 above, the Employer shall bear and promptly pay (a) all customs and import duties for the Plant specified in Price Schedule No. 1; and (b) other domestic taxes such as, sales tax and value added tax (VAT) on the Plant specified in Price Schedules No. 1 and No. 2 and that is to be incorporated into the Facilities, and on the finished goods, imposed by the law of the country where the Site is located. Please confirm that the importer will be the employer (DGDC), that DGDC will be specified on all transport and customs documents as being the importer, and that DGDC will be solely responsible for all customs and import taxes and duties payment, including VAT.	The Employer will promptly reimburse the Contractor for customs and import taxes and duties paid on the Plant specified in Price Schedules No. 1 and No. 2. Note that VAT applied on the importation of Plant **consigned to the Employer** is zero rated *[Ref. S.R.O 47, Amended Schedule III of the VAT Act of Dominica]*	None	None
174	Section VIII: General Conditions of Contract (GCC Clause 14. Taxes and Duties)	"*14.2 Notwithstanding GCC Sub-Clause 14.1 above, the Employer shall* *bear and promptly pay:* *(a) all customs and import duties for the Plant specified in Price Schedule No. 1; and* *(b) other domestic taxes such as, sales tax and value added tax (VAT) on the Plant specified in Price Schedules No. 1 and No. 2 and that is to be incorporated into the Facilities, and on the finished goods, imposed by the law of the country where the Site is located.*" **Please confirm whether all customs and import duties shall cover the inspection fees, customs fees and all other mandatory taxes / charges and all related levies**	See Response #173	None	None

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		(if any) at the time of import to be directly paid by the Employer.			
175	Section VIII: General Conditions of Contract (GCC Clause 14. Taxes and Duties)	"*14.2 Notwithstanding GCC Sub-Clause 14.1 above, the Employer shall* *bear and promptly pay:* *(a) all customs and import duties for the Plant specified in Price Schedule No. 1; and* *(b) other domestic taxes such as, sales tax and value added tax (VAT) on the Plant specified in Price Schedules No. 1 and No. 2 and that is to be incorporated into the Facilities, and on the finished goods, imposed by the law of the country where the Site is located.*" We understand that other local taxes such as, for example, value added tax (VAT), applicable to the materials and equipment indicated in Price Schedules No. 1 and No. 2 shall be paid by the Employer . Accordingly, we understand that VAT on all the below transactions shall be paid by the Employer: a. Offshore supply of plants / equipments / goods i.e. import of plants and equipments / goods from outside Georgia, b. Onshore procurement of plants / equipments / goods i.e. local purchase from Georgia. Please confirm our understanding.	See Response #173 and #176 *(It is noted that the question refers to Georgia instead of Dominica. This is assumed to be a typographical error)*	None	None
176	Section VIII: General	*14.2 Notwithstanding GCC Sub-Clause 14.1 above, the Employer shall*	1a. Offshore service portion (e.g., design engineering) conducted by	None	None

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	Conditions of Contract (GCC Clause 14. Taxes and Duties)	*bear and promptly pay:* *(a) all customs and import duties for the Plant specified in Price Schedule No. 1; and* *(b) other domestic taxes such as, sales tax and value added tax (VAT) on the Plant specified in Price Schedules No. 1 and No. 2 and that is to be incorporated into the Facilities, and on the finished goods, imposed by the law of the country where the Site is located.* **(1) Please confirm whether any VAT exemption will be provided on the below transactions or will this be paid by the Employer:** **a. Offshore service portion i.e. services (like design engineering services) received from outside Georgia,** **b. Onshore service portion i.e. local installation/ construction services performed in Georgia** **(2) Please confirm whether VAT and other local taxes is applicable on Installation / construction portion. If it is applicable then please confirm our understanding that contractor shall invoice to Employer the price as per price schedule plus VAT at the time of billing and Employer shall pay the same. If it is exempted, Employer shall provide exemption certificate.** **(3) If there is any VAT exemption applicable for this project, please confirm whether such exemption can be extended to the subcontractors and local supplier also who will be working in association with Contractor.**	the Contractor would be subject to VAT 1b. Onshore service portion (local installation) – see 2. below 2.Installation/construction – VAT and other local taxes are applicable on Installation/Construction portion. **The Contractor shall invoice to the Employer the price as per price schedule plus VAT at the time of billing and the Employer shall pay the same.** 3. Response #173 applies to the subcontractor and local supplier *(It is noted that the question refers to Georgia instead of Dominica. This is assumed to be a typographical error)*		

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177	Section VIII: General Conditions of Contract (GCC Clause 14. Taxes and Duties)	Employer to be the consignee: We understand that the Employer will be the consignee for any imported goods and equipment under the Contract. Employer's import license to be used for customs clearance: We understand Import License for Material imported into the Employer's Country shall be taken by the Employer and a Power of Attorney will be provided by Employer to the Contractor for custom clearance purpose. Please confirm our above understanding.	See Response #173	None	None
178	Section VIII: General Conditions of Contract (GCC Clause 14. Taxes and Duties)	Please confirm whether any withholding tax is applicable on payments made by the Employer to contractor towards: a. Offshore supply of plants / equipments / goods i.e. supply from outside Georgia, b. Offshore service portion i.e. services (like design engineering services) received from outside Georgia, c. Onshore service portion i.e. local installation/ construction services performed in Georgia, d. Onshore procurement of plants / equipments / goods i.e. local purchase from Georgia	a. Withholding tax is not applicable to offshore supply of Plant/equipment/goods. b. Withholding tax is applicable to the offshore service portion i.e. services (like design engineering services) if the offshore service provider is not registered in Dominica. c. Withholding tax is not applicable to onshore service portion i.e. local installation/construction services	None	None

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			d. Withholding tax is not applicable to onshore procurement of plant/equipment/goods Note that repatriation of profit is subject to withholding tax. *(It is noted that the question refers to Georgia instead of Dominica. This is assumed to be a typographical error)*		
179	Section VIII – General Conditions of Contract. C. Payment 14. Taxes and duties VAT	For Plant and Mandatory Spare Parts that will be imported within Dominica by our Dominican branch, and invoiced to DGDC once such Plant and Spare Parts are in Dominica, we understand that such invoicing will be subject to Dominican VAT. Please confirm	Confirmed	None	None
180	Section VIII – General Conditions of Contract. C. Payment 14. Taxes and duties Custom taxes and VAT on	Please confirm if the project, or any part of the project, is exempt from import and toll tax and duties. In such case, please provide us exemption documentation	See Response #173	SRO 47 of 2021 Adobe Acrobat Document	None

No.	RFB Ref.	Question or Comment	Owner's Response	Attachment	Supporting Clarification or Addendum
	imported goods				
181	Section VIII – General Conditions of Contract. C. Payment 14. Taxes and duties VAT	For Plant and Mandatory Spare Parts that will be imported within Dominica by our Dominican branch, and invoiced to DGDC once such Plant and Spare Parts are in Dominica, we understand that price schedule N°2 is to be used. Please confirm	Price Schedule No. 2 is not applicable for this project	None	None