



**ANDEC**  
LA FUERZA INTERIOR DEL ECUADOR

ANDEC-GA-CE-P001-0000-F001

SPECIAL REGIME SHEET



ACERÍAS NACIONALES DEL ECUADOR SOCIEDAD ANÓNIMA (A.N.D.E.C)

Process code:  
**RE-CI-ANDEC-AC-005-18**

Contracting object:  
**"CHATARRA FRAGMENTADA ISRI 211"**

Guayaquil, february of 2018





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**I. SPECIFIC CONDITIONS FOR CONTRACTING**  
**RE-CI-ANDEC-AC-005-18**

**INVITACION**

The company being **ACERÍAS NACIONALES DEL ECUADOR SOCIEDAD ANÓNIMA (A.N.D.E.C)**, under the legal provisions established in the COPCI, as well as the regulations issued by the Committee on Foreign Trade (COMEX), approval of the Specific Business Turn approved by the SERCOP and international commercial practices for the hiring of **"SHREDDER SCRAP, ISRI 211"**, For reasons of interest, efficiency and transparency, suppliers that are registered, or by registering, are electronically invited to ANDEC SA, legally able to contract, to present their technical and economic offer for the **"SHREDDER SCRAP, ISRI 211"**,

The referential Budget is for internal use of **ANDEC S.A. (confidential)**.

The estimated delivery time of the merchandise in the port of Guayaquil must be **according to what is indicated below, in section III, item 3.4 term of execution, otherwise, indicate in your offer the delivery period clearly.**

The general conditions of this invitation are the following:

1. In order to participate in the present procedure, at the time of submission of the proposal, the interested bidders must be registered or register with ANDEC S.A.
2. All suppliers that ask their questions are summoned to any of the following emails: [lcordova@andec.com.ec](mailto:lcordova@andec.com.ec), [aaaron@andec.com.ec](mailto:aaaron@andec.com.ec), [lyugcha@andec.com.ec](mailto:lyugcha@andec.com.ec) y, [gزابala@andec.com.ec](mailto:gزابala@andec.com.ec).
3. The offer will be presented digitally through the only email [ofertacomercioexterior@andec.com.ec](mailto:ofertacomercioexterior@andec.com.ec), according to the schedule established for the effect according to section III, item 3.1 procedure schedule.
4. The evaluation of the offer will be made applying the qualification parameters defined by the requesting area.
5. The project payments will be made with charge to the own funds coming from the budget of the Contracting Entity related to the budgetary item **No. 5191010301 "CHATARRA"**, contained in the Budget Certification **No. GF-PRE-2018-319**. The budget line must be certified for the entire contract.

The payment is foreseen as follows: **Direct financing of the supplier:** 30% anticipated against receipt of the purchase order signed by the two parties 40% when merchandise arrives at the port of Guayaquil and the remaining 30% when the merchandise enters warehouses of Andec against quality and compliance reports.

**IRREVOCABLE LETTER OF CREDIT AT SIGHT:** 100% by irrevocable and confirmed sight letter of credit with disbursements of: 80% payable against shipping documents (commercial invoice, packing list, bill of lading, quality certificate, weight certificate, free radioactivity certificate issued by the respective international verification company), and the 20% balance will be paid against the certification via Swift issued by order of the importer through the issuing bank detailing that ANDEC has received satisfaction in weight and quality in Andec according to commercial invoice presented for collection of 20%. Alternatives of disbursements that the provider considers in the two payments are accepted.

Bank expenses of any Bank outside of Ecuador are borne by the beneficiary (seller).

The letter of credit will be opened in the shortest time possible after the provider receives the email the purchase order signed by both parties.

**Note:** It will also be considered in the evaluation of the offers, the company that presents the best credit conditions for ANDEC S.A. or other financing alternatives.

6. The procedure will adhere to the provisions of the Organic Code of Production, Trade and Investment (COPCI), Specific Business Turn approved by the SERCOP, Legal standards of the country in which they are contracted or commercial practices or application business models international and internal procedures for





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the acquisition of assets of the company ACERIAS NACIONALES DEL ECUADOR S.A. (ANDEC) and the present document.

*Guayaquil, february 5th, of 2018.*

**CRNL. (S.P) Eddie Novillo Rameix, Mgs  
APODERADO ESPECIAL ACERÍAS NACIONALES  
DEL ECUADOR SOCIEDAD ANÓNIMA ANDEC S.A.**

SECTION II

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■ **PLANTA INDUSTRIAL GUAYAQUIL:** Av. Las Esclusas Solar 9 Primer Pasaje 12C SE Mz.2009 (Guasmo Central) / **Teléfonos:** 1800263327 / 04-3713590 / 04-2482832 / 04-2482833 / **Fax:** 04-2482826 • **CENTRO DE DISTRIBUCIÓN QUITO SUR:** Calle J s/n y Av. Turubamba Parque Industrial Sur / **Teléfonos:** 02-2690380 / 02-2691010 / 02-2691565 • **UNIDAD DE NEGOCIOS CUENCA:** Av. Remigio Tamariz 1-62 y Av. Solano, Edificio Oficce 4to.piso Ofc. 4 2a – 2b / **Teléfonos:** 07-4078145 / 07-4078146



**OBJECT OF THE CONTRACT, REFERENTIAL BUDGET AND  
TECHNICAL SPECIFICATIONS OR TERMS OF REFERENCE**

- 2.1 Object:** The purpose of this procedure is to select the best offer that meets the institutional needs, for the "SHREDDED SCRAP, ISRI 211".
- 2.2 Referential budget:** The referential Budget is for internal use of ANDEC S.A. (confidential).
- 2.3 Technical specifications or terms of reference:** The terms of reference of the object to be contracted will be included, considering all the necessary aspects for its adequate provision.

Interested bidders must present their offer in the terms indicated below:

<b>QUANTITY</b>	<b>DESCRIPTION</b>
10.000 MT (+/-5%)	SHREDDED SCRAP ISRI 211

- **General and technical specifications:**

**Type:** Shredded Scrap

**Isri:** 211

**State:** Lista para horno

**Principal characteristic:** Chatarra desmenuzada.- Chatarra de hierro y acero, homogénea, separada magnéticamente proveniente de automóviles, acero No. 1 y No.2 sin preparar. Chatarra diversa de fardo y plancha.

**Density:** 70 lbs/pie<sup>3</sup>

**Measurement:** menuda

**Transportation type:** Al granel.

**Important:**

- Send your offer in term DAP Bodegas matrix ANDEC S.A. (INCOTERMS 2010), put tariff code (tariff heading) and indicate Country of Origin and break down the FOB and FREIGHT value.

**SECTION III  
CONDITIONS OF THE PROCEDURE**

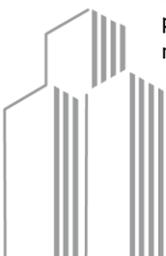
**3.1 Schedule of the procedure:** The schedule that will govern the procedure will be as follows (Ecuador Time) all are approximate dates since we depend on the availability of the highest authority:

<b>Concept</b>	<b>Day</b>	<b>Ecuadorian hour</b>
Invitation date	06/02/2018	08:00
Deadline to ask questions	07/02/2018	14h30
Deadline for answers and clarifications	09/02/2018	15h30
Deadline for delivery of offers	15/02/2018	10:00
Big opening deadline	16/02/2018	12:00
Deadline to validate information or errors	19/02/2018	15h00
Deadline for validation of errors	20/02/2018	16h00
Deadline for submitting purchase order report	21/02/2018	16h00
Estimated award date	23/02/2018	17h00

**3.2 Validity of the offer:** The validity of the offer must not be less than 5 days, to be counted from the date and time of day indicated for the delivery of the offer. In case a date is not indicated, it will be valid until the purchase order is concluded. Otherwise, please inform your validity date clearly.

**3.3 Offer price:** It will be understood as the price of the offer that the suppliers states in his proposal. The prices presented by the supplier are his exclusive responsibility. Any omission will be interpreted as voluntary and tending to obtain prices that allow it to present a more advantageous offer.

If arithmetic errors exist, they will be corrected as indicated by the supplier by email. The economic offer will be presented in any foreign currency according to the country, except the SEK currency (Swedish crowns) since in Ecuador no bank negotiates that currency.





The price of the offer must cover all the activities and costs necessary for the supplier to provide the services object of the contract in compliance with the corresponding terms of reference and to the full satisfaction of the contracting entity.

**3.4 Execution time:** The requesting area needs the merchandise to be shipped in a single delivery, and must arrive at the main plant of ANDEC S.A., between March 2 and March 16, 2018. Otherwise, indicate the date of entry of the first vehicle when it would be at the parent wineries of ANDEC S.A.

**3.5 Payment form:** Payments will be made in the manner provided in numeral 5 of the Invitation.

**3.5.1. Guarantee for good use of the advance (MANDATORY):** If by the form of payment established in the purchase order and / or contract, the Contracting Entity should grant advances of any kind, whether in cash, sight drafts or other form of payment, the contractor to receive the advance payment, must submit previously guarantees for the same value of the advance, which will be reduced in the proportion that is amortized or the works, goods or services are provisionally received.

Guarantee of good use of the advance must be presented as unconditional, irrevocable and of immediate collection, it will be paid for a value equal to the amount determined and foreseen in the bidding document, which will support 100% of the amount to be received for this concept.

Letters of credit will not be considered as an advance payment if their payment is conditioned on the receipt of the goods subject to the contract.

**3.5.2 Guarantee Faithful Contract Compliance (MANDATORY):** The awarded bidder, before the signing of the contract (if any) occurs, will deliver as a faithful fulfillment of the contract, a guarantee for faithful compliance with the contract and may be one of the following types of guarantee: unconditional and irrevocable bank guarantee and collection Immediate, insurance policy, certificate of deposit or any other document accepted in the Foreign Trade that guarantees the fulfillment of the contract.

It must be for the amount equivalent to 5% of the total value of the contract. The previously requested, is to respond to the obligations contracted with third parties, related to the contract.

(Only applies if the external purchasing committee requires or buyer and seller require the preparation of a contract).

**3.5.3 CERTIFICATIONS AND ORIGIN (MADATORY):** Indicate the origin or origin of the material that is quoted, with the name, telephone, fax, e-mail. Additionally, it is essential to clearly indicate the telephone number (s) to which the company Andec S.A. can communicate, during the process until its closure, the twenty-four (24) hours of the day.

**3.6. Form of submitting the offer:** The offer must be submitted electronically through the only email [ofertacomercioexterior@andec.com.ec](mailto:ofertacomercioexterior@andec.com.ec), according to the schedule established for the effect.

Offers received in another email or after the day and time set for delivery-reception will not be taken into account.

#### SECTION IV OFFER EVALUATION

**4.1 Offer integrity:** The integrity of the offer will be evaluated considering the presentation of the forms and minimum requirements foreseen in the specifications. For the verification of compliance with the minimum requirements will be the methodology "COMPLIES OR DOES NOT COMPLY".

**Note:** The offer will be qualified if the price of the submitted offer is adjusted to the institutional needs; indicate if there are extra costs, for example: sending original documents to the client by DHL, issuing certificates of Origin (European Union countries) and / or any administrative costs; since after sending the purchase order to the supplier, no additional expense will be accepted. The offer must come with all its values broken down (fob, freight, packaging, etc.).

**4.2 Evaluation of the offer can be by method of complies / does not comply or method by score:** The evaluation of the offer will be made applying the qualification parameters defined by the requesting area "Compliant or Non-Compliant".

##### 4.2.1 Other rating parameters:

The parameters and means of verification that must be fulfilled by the bidders are the following:





1. **Send Certificate** of being distributor, representative, seller or manufacturer and attach **quality certificate**.
2. **You must present** by email together with your offer the supplier's Identification (detailed below) and "SUPPLY SUMMARY" attached to the **MANDATORY**.
3. **If there is added value** from the manufacturer (it refers to a relative benefit greater than that of the competition), indicate it in its offer with the respective conditions.
4. Indicate the origin or origin of the material that is quoted, with the name, telephone, fax, e-mail. Additionally, it is essential to clearly indicate the telephone number (s) to which the company Andec S.A. can communicate, during the process until its closure, the twenty-four (24) hours of the day.
5. It is mandatory that suppliers conform in terms of quality, chemical composition, amount with tolerance, and DAP delivery terms. Form of payment is negotiable.

**TABLE OF VERIFICATION OF COMPLIANCE WITH MINIMUM REQUIREMENTS OF THE TECHNICAL SUPPLY**

**METHODOLOGY MEETS / DOES NOT MEET**

PARAMETER	COMPLIES	DOES NOT COMPLY	OBSERVATION
Especificaciones químicas: experiencia en provisión de chatarra fragmentada			
Oferta económica con los datos completos de la persona contacto 24/7, resumen de oferta y composición química.			
Forma de pago (financiamiento, condiciones de crédito, etc.)			

**SECTION V  
PARTIES OBLIGATIONS**

**5.1 SUPPLIER'S OBLIGATIONS:**

- Send chemical specifications.
- Fully comply with the provisions of this document.
- Comply with the certificate: Where it indicates the origin or origin of the material that is quoted, with the name, telephone, fax, e-mail. Additionally, it is essential to clearly indicate the telephone number (s) to which the company Andec S.A. can communicate, during the process until its closure, the twenty-four (24) hours of the day.
- In case of bulk transport the ship must have cranes for the discharge of minimum capacity of 20 TON, it must have spoons or clams for unloading. This condition must be included in the purchase order and / or contract of the seller.
- The provider is responsible to ANDEC S.A. to deliver the merchandise in the warehouses of ANDEC S.A., according to DAP term (Incoterms 2010).
- They must address their offer to the External Purchases Commission and In reference, they must include the project number and "fragmented scrap offer".
- Mandatory to send the Economic offer, offer summary and chemical composition. Indicate in the offer Name of the representative and telephone number (s) of permanent contact.

**CLEANING CONDITIONS:** The scrap lot must be free of dirt, non-ferrous, electronic scrap or foreign material of any kind, free of sealed units such as compressors or cylinders, excessive rust and corrosion; however, these conditions do not refer to the accidental inclusion of insignificant quantities, which can be shown to be unavoidable during the usual preparation and handling processes. The maximum percentage or impurities accepted in the scrap will be 0.50% of the net weight. Any surplus will be discounted to the supplier. In order to comply with these specifications, during the discharge, the Supervisors in both ANDEC and the supplier (under the authority of the supplier) will evaluate and qualify the percentage of impurities to be applied.

**QUALITY CONDITION AND RESIDUAL ELEMENTS:** When it is desired to use the term alloy free in the specifications, it means that the alloys that the steel contains are their own and were not added in order to make the alloy, the scrap will be considered free of alloys when the residuals do not pass the following limits: Nickel 0.45 Chromium 0.20 Molybdenum 0.10 Manganese 1.65. Copper 0.35. The set of residuals other than manganese should not exceed 0.60 percent in total.





**QUALITY AND CONTAMINATION CERTIFICATION:** The supplier must issue a certificate guaranteeing that the scrap delivered to ANDEC will be free of stones, wood, weapons, ammunition, and explosives and free of radioactive contamination. Andec at the time of unloading the scrap inside its facilities, verify that it meets the satisfaction with the weight and quality of the scrap, likewise according to your convenience you can also arrange for your personnel to carry out verification at the scrap loading site.

❖ **Packing and Packaging of the merchandise (Required):**

Conditioning and packaging are a substantial and important part of an export process, because by Using the right one, the quality of the product is guaranteed during transport and facilitates the storage, distribution and handling of the product.

- ✓ The suppliers must send the original shipping documents (Mandatory) including the HAWB and / or B / L to the offices of ANDEC S.A. With attention to Foreign Trade, the cost of sending documents must be assumed by the Supplier.
- ✓ The original B / L must be sent by the provider directly to ANDEC; in case they authorize the
- ✓ BL issuance at destination must send the confirmation by email and in turn pay in
- ✓ Origin the cost of the issue in case the merchandise is negotiated in CFR terms, case
- ✓ otherwise ANDEC will pay for the issue but it will be deducted from the supplier's invoice.

**5.2 Supplier's knowledge:** The natural or legal company that is adjudicated must consider the following clause that was stipulated in the purchase order because ANDEC is a public company.

- ❖ **PENALTY:** If the contractor does not comply with the purpose of the purchase order and / or contract, both in the execution time (INCOTERMS negotiated) and in the quality of the product, verified and verified this last by the head of the quality department of the Contracting , according to the offer submitted, will recognize in favor of the CONTRACTOR a fine equivalent to two thousand (2/1000) on the total or partial value of the purchase order as the case may be, for each day of delay. If this occurs, the Contractor may consider the contract and / or purchase order expired.

The indemnities in question constitute a real estimate of the losses and / or damages that could be detrimental to the CONTRACTOR due to said noncompliance and the payment would compensate for said losses or damages.

The foregoing shall be without prejudice to the legal actions exercised by ANDEC.S.A, for the damages and losses caused by the Contractor's breach, as stipulated in Article 1572 of the Ecuadorian Civil Code in force.

The penalty imposed will not be reviewed or returned for any reason.

The Contracting Party may collect the values for fines from the Contractor, of the payments pending to be canceled.

- ❖ This invitation does not imply any commitment or obligation, nor does it generate any legal link between ANDEC S. A. with the guest, so it can not at any time claim any right or claim for possible economic effects, for the content of this invitation.
- ❖ The award will be made to the offer that, in the opinion of ANDEC S. A., is the most convenient to their interests, without necessarily corresponding to the lowest price.
- ❖ ANDEC S.A. reserves the right to verify the information sent as well as the experience and solvency of the bidding companies.
- ❖ This invitation has only the purpose that ANDEC S.A. know several alternatives among which you can choose freely and without any restriction or commitment, a certain acquisition.



- ❖ ANDEC SA reserves the right to declare, at any time and for any reason, deserted or terminated the process of agreeing to its Institutional interests, without the guest having any right to claim or compensation, as indicated above.
- ❖ ANDEC S.A. will not be responsible for any cost (expense) of: Delay, detention, local expenses of the shipping company. ANDEC S.A. will be responsible only for the following costs: customs duties, customs clearance (customs agent) and insurance policy.

## 5.2 CUSTOMER'S OBLIGATIONS:

- Provide a solution to the requests and problems that arise in the execution of the purchase order, in the shortest possible time counted from the written request made by the supplier.
- ANDEC will give feedback to suppliers who request it by email and only if the project has already been awarded to a supplier (when there is a firm purchase order).
- **Entitlement Inspection:** All goods, supplies, etc. received may be subject to inspection and rejection by ANDEC S.A. if it does not meet the specifications requested and / or offered.  
The Provider shall provide all necessary assistance to any representative of ANDEC S.A. Likewise, you must notify ANDEC S.A. in advance and in writing of all changes in raw materials





**II. SUPPLIER'S IDENTIFICATIONS**

"CÓDIGO DEL PROCESO No. RE-CI-ANDEC-AC-005-18"

**SUPPLIER NAME:**

**"CHATARRA FRAGMENTADA, ISRI 211".**

1. Company name and name of Legal Representative:

**Company:**

**Legal Representative or Attorney:**

**Position:**

2. Company's Address:

Country		City	
Street		No.	
Phones		Fax	
e-mail			

3. Supplier's experience

Companies name	GOODS DESCRIPTION	Amount of purchase order	Contractual term	Execution date		Observations
				Start	Final	

4. Banks details:

In the case of natural or legal persons, the awarded supplier must present the bank certificate to the date or one month ago.

Now just indicate the following bank details for knowledge of ANDEC S.A. in the process:

Account name / Beneficiary	
Beneficiary's complete address	
Country and city of supplier	
Supplier bank	
Account number or IBAN	
Swift code or ABA of beneficiary bank	
IBAN	
Intermediary bank	
Swift code or ABA of intermediary bank	

Place and date:

\_\_\_\_\_  
(Sign and name):  
(Legal Representative or Attorney):