

Innovation Inc.
Gedu

Bestbuild Ltd.
Phuentsholing

5th November 1998

Dear Sirs,

Plant at Paro

Following the meetings between our members of staff over the last three months, we write to confirm that everything technical has now been agreed and we are able to firm up our Tender which we do in the accompanying Tender Form and Conditions.

We trust that you will find this satisfactory and look forward to receive your acceptance on receipt of which we will put the work in hand.

Yours faithfully,

Toby Topcat
Director

Extracts from Tender Form and Conditions

1. We undertake to supply 1 No. Supercable MK II all in accordance with the signed Specification and drawings, delivered, erected and commissioned on site at Paro.
2. Delivery to be on or before 1st August 1999 and commissioning completed 4 weeks after delivery. Your acceptance of the machine to be formally notified not later than 2 weeks after hand over at the conclusion of commissioning and/or passing of tests as detailed in Schedule II of the signed specification whichever is the later.
3. The total price of US\$ 1,000.000 to be paid in Phuentsholing in two equal instalments, viz:
 - (i) Within 2 weeks of acceptance of our tender.
 - (ii) Within 4 weeks of acceptance of the machine
4. We reserve the right to make reasonable charges in respect of any escalation in wages or prices of materials and goods required for the manufacture of the machine which occur after commencement of manufacture.
5. All orders are accepted only upon and subject to the terms set out in our Tender and the conditions accompanying it. These Terms and Conditions shall prevail over any terms and conditions in the Buyer's Order.

Bestbuild Ltd.
Phuentsholing

Innovation Inc.
Gedu

18 November 1998

Dear Sirs,

Plant at Paro

We have pleasure in enclosing our official order for the Supercable Mk. II, all as agreed according to specification and drawings, and offered by you in your Tender of 5th November 1998.

Our order form carries an acknowledgement slip which we ask you to return duly signed.

Yours faithfully,

Billy Bigshot
Chief Buyer

The Official Order contained the following paragraphs, which are the only ones of relevance to you.

This order is placed on the terms and conditions shown overleaf, which terms and conditions shall prevail over any terms and conditions put forward at any time by the Sellers.

The date of delivery is given as 20th August 1999.

The drawings and specification are recited.

The price US\$ 1,000,000 is recited, but nothing is said about mode and time of payment.

There was an Acknowledgement slip which read.

“Please sign and return toLtd.”

We accept your order on the terms and conditions stated thereon and undertake to deliver by 20th August 1999

Billy Bigshot
Chief Buyer

The Acknowledgement Form

The Acknowledgement Form which recited the Supplier's acknowledgement of the Order on the Terms and Conditions contained therein were signed by Mr. Topcat and dated and returned on 21st November 1998 with a covering letter which said after the normal courtesies:

“We acknowledge receipt of your official order and have instructed our Phuentsholing factory to commence production. Our Representative in Kashmir has been telexed today to conclude a contract with the Dada Steel Corporation for the supply of the special steel required for the dies which, as you know, is critical, it being the only source of supply of this material worldwide.

Our Mr. Adminman will be in charge of general liaison with your firm and with your clients in respect of the plastic material required for the cable covering for testing, supplies of which will be need in about 5 weeks time. They will be in touch with you.

A progress meeting has been arranged at Phuentsholing for 31st January 1999 as we agreed on the telephone.

Yours sincerely;

Toby Topcat

PS. I have booked at table at the Druk in Phuentsholing for lunch on 29th November 1998 next when we shall be delighted to meet your people and get to know each other.

Bestbuild Ltd
Phuentsholing

Innovation Inc.
Phuentsholing Works

1 August 1999

**For the attention of:
Mr T. Topcat**

Dear Toby,

Plant at Paro

The side effects of Cyclone Charlie in Bangladesh have proved rather worse than we expected and it turns out that nothing can be done to make good the delay caused by the “extra strong winds” which everyone claims were totally unusual. Personally I do not believe them, but the fact is that although the boys I brought over from Thimphu have done wonders (as I expected they would) there are still 2 weeks which we cannot recover.

Now we have another problem.

A Production Unit has arrived from India to do a reconstruction of the Paro Tschechu and all the labour has gone off to act as extras, or just to gawp at the action. I could pay them more but they find it much more fun to go and be the dancers and audience than to fix cladding panels.

This looks like another 3-4 weeks delay, and this is just preliminary notice that we shall be issuing an official Postponement Order shortly.

Kind regards.

Mr. B. Real

Bestbuild Ltd.
On Site
Paro

Innovation Inc.
Phuentsholing Works

4 August 1999

Dear Sirs,

Will you please take this as our Official Postponement Order to the effect that delivery of the Supercable must be delayed until the slot of 20th September 1999 to 4th October 1999.

Yours faithfully;

B. Real

Innovation Inc.
Phuentsholing Works

Bestbuild Ltd.
On Site
Paro

12th August 1999

Dear Mr Real,

Plant at Paro

We acknowledge receipt of your letter of 1st August 1999 and subsequent Postponement order on 4th August 1999 and accordingly we will do our best to assist you in the problem which you describe. We should, for the record make it clear that our contractor delivery date was 1st August 1999 and that this postponement, which we will of course implement, will put us to some extra cost in unpicking the arrangements which are in train for this complex delivery and installation.

Some of the heavier components are already on the way by sea and will have to be accommodated in our hired accommodation in Calcutta, and there are problems with scheduling of skilled operations. However we are confident that all these can be overcome, albeit at some cost.

In the meantime, please keep in touch as to any changes in the programme. Unless we hear otherwise from you we shall be working to the dates given in your Postponement Order.

Yours sincerely,

T. Topcat

PS- It's never easy is it. Do let me know if there is anything I can do to assist. You have my home number.

[NOTE

There was no direct answer to this letter. But the ensuing papers (not supplied for this exercise) give you a picture of friendly co-operation between Topcat and Real. Neither are ignorant of contractual and commercial realities and they did nothing to prejudice the rights of their respective companies. On a personal level however they helped each other and overcome a number of problems.

The components were stored in Calcutta and delivered as soon as the building was weather tight. Commissioning went ahead and was successfully completed.]

Bestbuild Ltd.
On Site
Paro

Innovation Inc.
Phuentsholing Works

28th October 1999

Dear Mr Topcat,

Plant at Paro

When we spoke on the telephone last night you asked me to let you have a letter formally recording the completing of the installation of the Supercable and satisfactory conclusion of the Commissioning process.

That I gladly do, and confirm that installation was complete on 26th October 1999 and commissioning certificate from the Users was issued on the same day, a copy of which will be sent to you from our Officer in Thimphu.

Whilst writing, I would like to express the appreciation of all our team for the way in which you people have performed, and I look forward to meeting them again when we all get back from the site.

Yours sincerely,

B Real

PS. My turn to book a table at the Druk, I think. Roll on that joyful day.

Innovation Inc.
Gedu

Bestbuild Ltd.
Phuentsholing

4th November 1999

Dear Sirs,

Plant at Paro

We have to advise you that following the civil disturbances in Kashmir last May the Government of that State have, as you may have seen in the press, greatly increased pension provisions for State workers as well as shortening their working hours. That has had a knock-on effect upon the prices charged by the Dada Steel Corporation from which, as you know we are obliged by our contracts specification to purchase special steel for use in the high tensile strength screws and dies, there being no other source of supply.

Accordingly we must make an additional charge, computations of which are appended of U\$10,000 (Computations not supplied for this exercise).

We also append a computation of our costs consequent upon compliance with your Postponement Order.

We trust that you will be able to agree these figures, and of course we will readily give your staff sight of any of our records to enable them to verify our figures.

Yours faithfully,

Mr. Niggle
Chief Accountant

Appended to Letter

II Computation of Costs Consequent on postponement Order

1.	6 weeks additional rent for workshop and store in Calcutta:		U\$ 3,500.00
2.	Cancellation charges paid to:		
	Transport contractors		
	Calypso Truckers	U\$ 500.00	
	Dragon airlift Corp	U\$ 350.00	
	Dada Road Transport	U\$ 100.00	
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		U\$ 950.00	U\$ 950.00
3.	Personnel cost in rescheduling work plans (Details not supplied for this exercise)		U\$ 1,000.50
4.	Contribution to office costs 6 x U\$ 600.00		U\$ 3,600.00
5.	Director's time in reorganising. 10 hours U\$ 60.00		U\$ 600.00
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			U\$ 9,650.50