

**GUIDELINES FOR PROCUREMENT  
OF  
GOODS AND SERVICES  
FOR  
IMPLEMENTATION OF  
RURAL ELECTRIFICATION PROJECT FOR  
DECENTRALIZED DISTRIBUTED GENERATION  
UNDER  
RAJIV GANDHI GRAMEEN VIDYUTIKARAN YOJANA  
(RGGVY)**

**GUIDELINES FOR PROCUREMENT OF GOODS AND SERVICES FOR  
IMPLEMENTATION OF RURAL ELECTRIFICATION THROUGH  
DECENTRALIZED DISTRIBUTED GENERATION (DDG) UNDER RGGVY**

PART – I : INTRODUCTION

**1. Purpose**

- 1.1. Purpose of these guidelines is to indicate the general principles and procedures, which except as REC may otherwise agree, shall be observed in carrying out procurement of goods and works for projects under “Decentralized Distributed Generation (DDG) under Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) in the XI Plan – Scheme of Rural Electricity Infrastructure and Household Electrification”. The rights and obligations of the borrower/project owner and the providers of goods and works for the project are governed by the concerned bidding documents and by the contract signed between the relevant parties and not by these guidelines.
- 1.2. Decentralized Distributed Generation can be from conventional or renewable sources such as Biomass, Biofuels, Biogas, Mini Hydro, Solar etc. for villages where grid connectivity is either not feasible or not cost effective.
- 1.3. Rural Electrification Corporation (REC) would be the Nodal Agency for the scheme. The capital subsidy for eligible projects under the scheme would be given through REC. In the event, the projects are not implemented satisfactorily in accordance with the conditionalities of this order, the capital subsidy would be converted into interest bearing loans.
- 1.4. To facilitate the process of procurement of goods and services for implementation of RE programme, the following documents are also attached for adoption, stipulating the required bidding procedure :-
- |  |              |
|--|--------------|
| (i) Invitation to Bid (INV)                        | -Volume - I  |
| (ii) Instruction to Bidders (INB)                  | -Volume - I  |
| (iii) General Terms & Conditions of Contract (GCC) | -Volume - I  |
| (iv) Erection Conditions of Contract (ECC)         | -Volume - I  |
| (v) Special Conditions of Contract (SCC).          | -Volume - IA |

Any procurement of goods and services for the project shall be eligible for financing through REC, if the same are procured in accordance with the above bidding procedure. The above bidding procedure has been prepared for implementation of the project in association with the CPSUs as may be desired by the State involving CPSU's total involvement in execution of the project.

- 1.5. The procurement guidelines and the bidding procedure(s) shall also be applicable, mutatis mutandis, where State Power Utilities (SPU) shall take up the execution of the project sanctioned by REC under the programme themselves. Accordingly, all the provisions of this bidding procedure as

above shall also be operative in such cases.

- 1.6. The DDG projects would be owned by state government. Implementing agencies of the projects shall be either the state renewable energy development agencies (SREDAS)/ departments promoting renewable energy or state utilities or the identified CPSU's the state government will decide the implementing agency for their respective states.

## 2. Primary Considerations

While undertaking the actions towards award of Contracts and its implementation on the ground, the same shall be generally guided by the following primary considerations:

- (a) To make available the needed goods, equipment, material, works and services in the right quality and quantity, at the right time and at the right price after giving fair and equal chance to tenderers/ bidders, so as to obtain the optimum value for each unit of expenditure.
- (b) Economy and efficiency in implementation of the project, including the procurement of goods, works and services in question.
- (c). To provide an opportunity to all eligible qualified bidders to compete for providing goods, works and services.
- (d). To encourage the development of local, domestic contracting and manufacturing industries/agencies.
- (e). Transparency in the procurement process and timely actions.

## 3. Applicability of guidelines

The procedure outlined in these guidelines apply to all contracts for goods and works financed in whole or in part by REC for implementation of “Decentralized Distributed Generation (DDG) under Rajiv Gandhi Grameen Vidyutikaran Yojana in the XI Plan – Scheme of Rural Electricity Infrastructure and Household Electrification”.

## 4. Eligibility

To foster competition, all firms and individuals are permitted to offer goods, works, and services for REC-financed projects. Conditions for participation shall be limited to those that are essential to ensure the firm's capability to fulfill the contract in question.

### ***Eligible Bidders shall be:***

State agencies, technology suppliers, Corporate houses, Equipment Manufacturers and Contractors, Self Help Groups, Users Associations, individuals, Registered Societies, Cooperatives, Panchayats, Local bodies, their Consortiums / SPVs / JVs etc are all eligible to apply Borrower, including its assignee(s), may carry out due diligence on the technical and financial qualifications of bidders to be assured of their capabilities in relation to the specific contract.

A firm which has been engaged by the Borrower including its assignee(s) to provide consultancy services for the preparation or implementation of a project, and any of its affiliates, shall be disqualified from subsequently providing goods, works or services

## **5. Joint Ventures**

Any firm may bid independently or in joint venture confirming joint and several liability with domestic firms.

## **6. Mis-procurement**

Financial assistance from REC is not eligible to meet expenditures for goods and works which have not been procured in accordance with these guidelines.

## **7. Fraud and Corruption**

It should be kept in mind that all actions towards award of Contracts and its implementation on the ground have to be fair, consistent, transparent and based on highest standard of ethics. Similarly, bidders/suppliers/contractors associated in the procurement and works, are expected to observe the highest standard of ethics during procurement and execution of contracts. In pursuance to above:

- (a) Proposal for award may be rejected, if it determines that the bidder, recommended for award, and/or its employees, sub-contractors, sub-vendors, agents have engaged in corrupt or fraudulent practices in competing for the Contract in question;
- (b). Portion of the loan allocated to a contract may be cancelled, in full or in part, if it is determined that corrupt or fraudulent practices were engaged by contractor and/or its employees, subcontractors, sub-vendors, agents for getting the Contract or during the execution of a Contract;
- (c). A firm may be declared as ineligible, either indefinitely or for a stated period of time, to be awarded a Contract, if it, at any time, determines that the firm has been engaged in corrupt or fraudulent practices in competing for or in executing the Contract. For the purpose of above provision, the terms, "Corrupt Practice" and "Fraudulent Practice", mean following:
  - i "corrupt practice" means offering, giving, receiving, or soliciting anything of value to influence the action of a public official(s) in the procurement process or in the contract execution; and
  - ii. "fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract and includes collusive practices among bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels.

## PART – II: DOMESTIC COMPETITIVE BIDDING

### 1. GENERAL

#### 1.1. Introduction

The objective of Domestic Competitive Bidding (DCB), as described in these Guidelines, is to provide all eligible prospective bidders with timely and adequate notification of a Borrower's requirements and an equal opportunity to bid for the required goods and works.

All procurement and works, in the normal course, shall be outsourced and undertaken through award of contracts for the same. The procurement and works, shall mean all procurement of equipment/material and civil/erection works during construction and O&M stage.

#### 1.2. Type and Size of Contracts

1.2.1 The bidding documents shall clearly state the type of contract to be entered into and contain the proposed contract provisions appropriate therefore.

The size and scope of individual contracts will depend on the magnitude, nature, and location of the project.

The project execution will be carried out on Build, Operate, Maintain & Transfer (BOMT) basis under which the design and engineering, supply and installation of equipment, and construction of a complete facility or works are provided under one contract. The plant will be handed over to the State Government in working condition after 5 years. All the replaced parts will be handed over to the State Government.

#### 1.3. Notification and Advertising (NIT)

Timely notification of bidding opportunities is essential in competitive bidding. The Procurement Notice shall contain information concerning the Borrower, amount and purpose of the loan, scope of procurement under DCB, and the name, telephone (or fax) number, and address of the Borrower's agency responsible for procurement and the address of the website where specific procurement notices will be posted. The scheduled date for availability of bidding documents should be indicated. The related bidding documents, shall not be released to the public earlier than the date of publication of the Procurement Notice.

Invitations to bid shall be advertised as Procurement Notices in at least one English newspaper of national circulation in the country and one Regional language newspaper and in an electronic portal with free access. Notification shall be given in sufficient time to enable prospective bidders to obtain bidding

documents and prepare and submit their responses.

#### **1.4. Qualifying requirements of Bidders**

Certain requisite qualifications of the bidders are necessary for turnkey contracts.

This ensures that participation in the bid is limited only to those who have adequate capabilities and resources, such as (i) experience and past performance on similar contracts on Build, Operate, Maintain & Transfer (BOMT) basis work, (ii) capabilities with respect to personnel, equipment, and construction or manufacturing facilities, and (iii) financial position.

## **2. Bidding Documents**

### **2.1. General**

The bidding documents shall furnish all information necessary for a prospective bidder to prepare a bid for the goods and works to be provided. The bidding document generally include the following:

- Invitation for Bids (INV)
- Instruction to Bidders (INB)
- General Terms & Conditions of Contract (GCC)
- Special Conditions of Contract (SCC)
- Bid Form and Price Schedules/ Bid Proposal Sheets (BPS)
- Technical Specifications (TS)
- Technical Data Sheet/ Data Requirement Sheet (DRS)
- List of goods or bill of quantities
- Delivery time or schedule of completion
- Necessary appendices such as formats for various securities

The basis for bid evaluation and selection of the lowest evaluated bid shall be clearly outlined in the instructions to bidders and/or the specifications. If a fee is charged for the bidding documents, it shall be reasonable and reflect only the cost of their printing and delivery to prospective bidders, and shall not be so high as to discourage qualified bidders. The Borrower may use an electronic system to distribute bidding documents, provided that such system is adequate and satisfactory. If bidding documents are distributed electronically, the electronic system shall be secure to avoid modifications to the bidding documents and shall not restrict the access of Bidders to the bidding documents.

Borrowers shall use the appropriate Standard Bidding Documents with minimum changes, as necessary to address project-specific conditions. Any such changes shall be introduced only through bid or contract data sheets, or through special conditions of contract.

## **2.2. Validity of Bids and Bid Security**

Bidders shall be required to submit bids valid for a period specified in the bidding documents which shall be sufficient to enable the Borrower to complete the comparison and evaluation of bids, and obtain all the necessary approvals so that the contract can be awarded within that period.

Borrowers have the option of requiring a bid security. When used, the Bid security shall be in the amount and form specified in the bidding documents and shall remain valid for a period of four weeks beyond the validity period for the bids, in order to provide reasonable time for the Borrower to act if the security is to be called. Bid security shall be released to unsuccessful bidders once the contract has been signed with the winning bidder.

## **2.3. Clarity of Bidding Documents**

Bidding documents shall be so worded as to permit and encourage competition and shall set forth clearly and precisely the work to be carried out, the location of the work, the goods to be supplied, the place of delivery or installation, the schedule for delivery or completion, minimum performance requirements, and the warranty and maintenance requirements, as well as any other pertinent terms and conditions. In addition, the bidding documents, where appropriate, shall define the tests, standards, and methods that will be employed to judge the conformity of equipment as delivered, or works as performed, with the specifications. Drawings shall be consistent with the text of the specifications, and an order of precedence between the two shall be specified.

The bidding documents shall specify any factors, in addition to price, which will be taken into account in evaluating bids, and how such factors will be quantified or otherwise evaluated. If bids based on alternative designs, materials, completion schedules, payment terms, etc., are permitted, conditions for their acceptability and the method of their evaluation shall be expressly stated.

All prospective bidders shall be provided the same information, and shall be assured of equal opportunities to obtain additional information on a timely basis. Borrowers shall provide reasonable access to project sites for visits by prospective bidders. Any additional information, clarification, correction of errors, or modifications of bidding documents shall be sent to each recipient of the original bidding documents in sufficient time before the deadline for receipt of bids to enable bidders to take appropriate actions. If necessary, the deadline shall be extended.

## **2.4. Standards**

Standards and technical specifications quoted in bidding documents shall promote the broadest possible competition, while assuring the critical performance or other requirements for the goods and/or works under

procurement. The Borrower shall specify standards as issued by REC for DDG under RGVVY.

## **2.5. Pricing**

Bids for equipments shall be invited on basis of ex- works/ex –factory (FOR) plus cost of transportation and insurance to the place of destination. The bidder shall be required to quote separately for installation, commissioning or other similar services required to be performed by the bidder.

In the case of turnkey contracts, the bidder shall be required to quote the price of the installed equipment at site, including all costs for supply of equipment, local transportation and insurance, installation, and commissioning, as well as associated works and all other services included in the scope of contract. Unless otherwise specified in the bidding documents, the turnkey price shall include all duties, taxes, and other levies.

Bidders for works contracts shall be required to quote unit prices or lump sum prices for the performance of the works, and such prices shall include all duties, taxes, and other levies.

## **2.6. Price Variation**

Bidding documents shall state either that (i) bid prices will be fixed or (ii) that price variations will be made to reflect any changes (upwards or downwards) in major cost components of the contract, such as labour, equipment, materials, and fuel. Price adjustment provisions are usually not necessary in contracts involving delivery of goods and/or completion of works within twelve months, but shall be included in contracts, which extend beyond twelve months.

For the purpose of calculation of price adjustment: (i) the indices for various materials shall be considered as published by IEEMA and indices of the other sources/publication shall be considered only when IEEMA does not publish such indices; and (ii) the indices for labour shall be considered as published/declared by Labour Bureau, Shimla. Accordingly, suitable provisions shall be made in the Bidding Documents.

Prices may be adjusted by the use of a prescribed formula (or formulae), which breaks down the total price into components that are adjusted by price indices specified for each component or, alternatively, on the basis of documentary evidence (including actual invoices) provided by the Supplier or Contractor. For price adjustment, the method, the formula and the base date for application shall be clearly defined in the bidding documents.

## **2.7. Transportation and Insurance**

Bidding documents shall state the types and terms of insurance and



transportation to be provided by the bidder.

## **2.8. Terms and Methods of Payment**

Payments terms shall be in accordance with the commercial practices applicable to the specific good and works:

- (i) Contracts for supply of goods may provide for full payment on the delivery with and inspection, if necessary, of the contracted goods except for contracts involving installation and commissioning, in which case an appropriate portion of payment may be made after the supplier has complied with all its obligations under the contract.
- (ii) Contracts involving installation works may be eligible for appropriate mobilization advances.

Any advance payment for mobilization and similar expenses, made upon signature of a contract for goods or works, shall be related to the estimated amount of these expenses and be specified in the bidding documents. Amounts and timing of other advances to be made, such as for materials delivered to the site for incorporation in the works, shall also be specified. The bidding documents shall specify the arrangements for any security required for advance payments. Bidding documents shall clearly specify the payment methods and terms offered.

## **2.9. Currency Provisions and Currency of payment**

The bidding documents shall state that the bidder shall express bid price in Indian Rupees only. Payment of the contract price shall also be in Indian Rupees only.

## **2.10. Conditions of contracts**

The conditions of the contract shall necessarily have balanced allocation of risk and liabilities. The concerned documents shall clearly define the scope of work to be performed, the rights and obligations of the Borrower and of the Supplier or Contractor. In addition to the general conditions of contract, any special conditions particular to the specific goods or works to be procured and the location of the project shall be included.

## **2.11. Performance Security**

Bidding documents for works shall require security in an amount sufficient to protect the Borrower in case of breach of contract by the Contractor. This security shall be provided in an appropriate form and amount, as specified by the Borrower in the bidding document. The amount of the security may vary, on the nature and magnitude of the works. A portion of this security shall extend sufficiently beyond the date of completion of the works to cover the defects liability or maintenance period up to final acceptance by the Borrower.

In the contracts for supply of goods, the borrower may decide on the need of performance security depending on the market conditions and commercial practices for a particular kind of goods and may decide appropriately the quantum of security to cover warranty obligations.

### **2.12 Liquidated Damages**

Provisions for liquidated damages or similar provisions for an appropriate amount shall be included in the conditions of contract when delays in the delivery of goods, completion of works or failure of the goods or works to meet performance

### **2.13 Force Majeure**

The conditions of contract shall stipulate that failure on the part of the parties to perform their obligations under the contract shall not be considered a default if such failure is the result of an event of force majeure as defined in the conditions of contract.

### **2.14 Applicable Law and Settlement of Disputes**

The conditions of contracts shall incorporate required provisions dealing with the applicable law, jurisdiction of Courts and the forum for the settlement of disputes. The appropriate provisions for arbitration shall be required to be incorporated in the conditions of contract with clarity. In no case REC shall be named as an arbitrator nor shall REC be included as a party in the settlement of any disputes or be asked to name an arbitrator.

## **3. Bid Opening, Evaluation and Award of Contract**

### **3.1 Time for Preparation of Bids**

The period of sale of documents shall normally be kept as 30 days. The time allowed for the preparation and submission of bids shall be determined with due consideration of the particular circumstances of the project and the magnitude and complexity of the contract. The last date for submission of bids shall be approximately 7 days after the close of sale of bidding document. Bidders shall be permitted to submit bids by Mail or by hand. At the discretion of the borrower he may also use electronic media permitting bidders to submit bids by electronic means. **The deadline and place for receipt of bids shall necessarily be specified in the Invitation to Bid. Bids submitted/received after the declared dead line for bid submission shall be summarily rejected.**

### **3.2 Bid Opening Procedures**

The time for the bid opening shall be the same as for the deadline for receipt of bids or promptly thereafter, and shall be announced, together with the place for bid opening, in the Invitation to Bid. The Borrower shall open all bids at the

stipulated time and place. Bids shall be opened in public; that is, bidders or their representatives shall be allowed to be present. The name of the bidder and total amount of each bid, and of any alternative bids if they have been requested or permitted, shall be read aloud and recorded when opened.

### **3.3 Clarifications or Alterations of Bids**

Bidders shall not be requested or permitted to alter their bids after the deadline for receipt of bids. The Borrower shall ask bidders for clarification needed to evaluate their bids but shall not ask or permit bidders to change the substance or price of their bids after the bid opening. Requests for clarification and the bidders' responses shall be made in writing, in hard copy and by an electronic system satisfactory to the Borrower.

### **3.4 Confidentiality**

After the public opening of bids, information relating to the examination, clarification, and evaluation of bids and recommendations concerning awards shall not be disclosed to bidders or other persons not officially concerned with this process until the contract award.

### **3.5 Examination of Bids**

The Borrower shall ascertain whether the bids:

- (i) meet the eligibility requirements specified
- (ii) have been properly signed,
- (iii) are accompanied by the required securities or required declaration signed as specified
- (iv) are substantially responsive to the bidding documents, and
- (v) are otherwise generally in order.

If a bid is not substantially responsive, that is, it contains material deviations from or reservations to the terms, conditions, and specifications in the bidding documents, it shall not be considered further. The bidder shall not be permitted to correct or withdraw material deviations or reservations once bids have been opened.

### **3.6 Evaluation and Comparison of Bids**

The purpose of bid evaluation is to determine the cost to the Borrower of each bid in a manner that permits a comparison on the basis of their evaluated cost. The bid with the lowest evaluated cost, but not necessarily the lowest submitted price, shall be selected for award.

The bid price read out at the bid opening shall be adjusted to correct any arithmetical errors. Also, for the purpose of evaluation, adjustments shall be made for any quantifiable nonmaterial deviations or reservations. Price adjustment provisions applying to the period of implementation of the contract

shall not be taken into account in the evaluation.

The evaluation and comparison of bids shall be on ex- works/ex –factory (FOR) plus cost of transportation and insurance to the place of destination for goods offered from manufactured together with prices required, installation, training, commissioning, and other similar services.

Bidding documents shall also specify the relevant factors in addition to price to be considered in bid evaluation and the manner in which they will be applied for the purpose of determining the lowest evaluated bid. For goods and equipment, other factors may be taken into consideration including among others, payment schedule, delivery time, operating costs, efficiency and compatibility of the equipment, availability of service and spare parts, and related training, safety, and environmental benefits. The factors other than price to be used for determining the lowest evaluated bid shall, to the extent practicable, be expressed in monetary terms, or given a relative weight in the evaluation provisions in the bidding documents.

Under works and turnkey contracts, Contractors are responsible for all duties, taxes, and other levies and bidders shall take these factors into account in preparing their bids. The evaluation and comparison of bids shall be on this basis. Bid evaluation for works shall be strictly in monetary terms. If time is a critical factor, the value of early completion to the Borrower may be taken into account according to criteria presented in the bidding documents, only if the conditions of contract provide for commensurate penalties for noncompliance.

The Borrower shall prepare a detailed report on the evaluation and comparison of bids setting forth the specific reasons on which the recommendation is based for the award of the contract.

### **3.7 Extension of Validity of Bids**

Borrowers shall complete evaluation of bids and award of contract within the initial period of bid validity so that extensions are not necessary. An extension of bid validity, if justified by exceptional circumstances, shall be requested in writing from all bidders before the expiration date. The extension shall be for the minimum period required to complete the evaluation, to obtain the necessary approvals, and award the contract. In the case of fixed price contracts, requests for second and subsequent extensions will be permissible only if the request for extension provides for an appropriate adjustment mechanism of the quoted price to reflect changes in the cost of inputs for the contract over the period of extension. Whenever an extension of bid validity period is requested, bidders shall not be requested or be permitted to change the quoted (base) price or other conditions of their bid. Bidders shall have the right to refuse to grant such an extension. If the bidding documents require a bid security, Bidders may exercise their right to refuse to grant such an extension without forfeiting their bid security, but those who are willing to

extend the validity of their bid shall be required to provide a suitable extension of bid security.

### **3.8 Post-qualification of Bidders**

As the pre-qualification of bidders is not covered under these guidelines, the Borrower shall determine whether the bidder whose bid has been determined to offer the lowest evaluated cost has the capability and resources to effectively carry out the contract as offered in the bid. The criteria to be met shall be set out in the bidding documents, and if the bidder does not meet them, the bid shall be rejected. In such an event, the Borrower shall make a similar determination for the next-lowest evaluated bidder.

### **3.9 Award of Contract**

The Borrower shall award the contract, within the period of the validity of bids, to the bidder who meets the appropriate standards of capability and resources and whose bid has been determined:

- (i) to be substantially responsive to the bidding documents and
- (ii) to offer the lowest evaluated cost.

A bidder shall not be required, as a condition of award, to undertake responsibilities for work not stipulated in the bidding documents or otherwise to modify the bid as originally submitted.

### **3.10. Rejection of All Bids**

Bidding documents usually provide that Borrowers may reserve the right to reject all bids. However, rejection of all bids is justified when there is lack of effective competition, or bids are not substantially responsive. If all bids are rejected, the Borrower shall review the causes justifying the rejection and consider making revisions to the conditions of contract, design and specifications, scope of the contract, or a combination of these, before inviting new bids.

If the rejection of all bids is due to lack of competition, wider advertising shall be considered. If the rejection is due to most or all of the bids being non responsive, new bids may be invited from only those that submitted bids in the first instance, at the discretion of the borrower.

**VOLUME – I**

**CONDITIONS OF CONTRACT**  
**(Supply Cum Erection)**

**(DOMESTIC)**

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**SECTION – INV**  
**INVITATION TO BID**



**INVITATION TO BIDS (INV)  
FOR  
RURAL ELECTRIFICATION WORKS IN ----- DISTRICTS OF -----STATE  
ON BOMT BASIS FOR DDG PROGRAM UNDER RGVVY.**

DATE OF ISSUANCE OF INV : \_\_\_\_\_ (DOMESTIC COMPETITIVE BIDDING)

1.0 \_\_\_\_\_ \*\*\* has been entrusted by \_\_\_\_\_\*\* with the concurrence of Government of \_\_\_\_\_\* for execution of Rural Electrification works for electrification of villages and rural households in the \_\_\_\_\_ district(s) of \_\_\_\_\_\*.

The execution of the project shall be funded out of the proceeds of the financial assistance to be received by Government of \_\_\_\_\_\* from Rural Electrification Corporation Limited (REC) and all eligible payments for the execution of the project under the intended contract shall be made by the \_\_\_\_\_\*\*\* under suitable arrangement with \_\_\_\_\_\*\*. The ownership of the project shall remain vested with \_\_\_\_\_\*\*.

1.1 The project shall be executed under the following packages for which \_\_\_\_\_\*\*\* invites sealed bids under domestic competitive bidding:-

To be detailed out in accordance with the approved project sanctioned by REC.
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2.0 Scope of Work:

To be detailed out in accordance with the approved project sanctioned by REC.
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The bidder can quote for any or all of the packages as indicated above, provided he satisfies the provisions as given in para 4.0 below.

2.1 The aforesaid scope of work is only indicative. The detailed scope is described in the Bidding Documents, which are available for inspection & sale, at the address mentioned at para 9.0, as per details given below:

Inspection and sale of bidding documents	From _____ to _____ (between _____ hrs and _____ hrs on all working days)
Cost of bidding documents	Rs.* _____ (through crossed Demand Draft in favour of ' _____*** payable at _____)

3.0 Bidding Documents are non-transferable and can be obtained by interested firms or their authorised representatives on submission of a written application and on payment of non-refundable specified amount. Issuance of the Bidding Documents, however, shall not automatically mean that such firm fulfills/meets the Qualifying Requirements.

To be inserted:      (\*) Name of State    (\*\*) Name of SDA    (\*\*\*) Name of Central Public Sector Utility

4.0 The detailed Qualifying Requirements (QR) are given in the Bidding Document of the subject package. The complete bidding documents including tender drawings are available at website of \_\_\_\_\_. Interested bidders can download the bidding documents and commence preparation of bids to gain time. However, they will be required to purchase the Bidding Documents from \_\_\_\_\_, (for submission of the bid), which will be duly authenticated by the executive issuing the documents. In case of any discrepancy between the documents downloaded by the prospective bidder and the Bid Documents (hard copy) issued by \_\_\_\_\_ official, the latter shall prevail.

5.0 Bids must be delivered to \_\_\_\_\_ at the address mentioned at para 9.0 below. Bids will be received and opened in presence of Bidders’ representatives who choose to be present, as per following schedule:

Last date and time for submission of bids	_____ at _____ hrs
Bid Opening date and time	_____ at _____ hrs

6.0 All the bids must be accompanied by a bid security of the following amount in a separate sealed envelope without which the bid shall be returned to the Bidder unopened:

Package number	Amount

7.0 The successful bidder will be required to furnish a Contract Performance Guarantee for ten percent (10 %) of the total contract price on award of the Contract for the respective packages.

8.0 \_\_\_\_\_ will not be responsible for misplacement/delay in receipt of either request for issuance of Bidding Documents or Bidding Documents or Bids sent by post.

9.0 All correspondence/communication including those pertaining to purchase of Bidding Documents and submission of bids with regard to the above shall be made at the following address of \_\_\_\_\_ :-

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10.0 \_\_\_\_\_ reserves the right to cancel / withdraw the bid without assigning any reason for such decision. Such decision will not incur any liability whatsoever on the part of \_\_\_\_\_ consequently.

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**End of INV**

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To be inserted:      (\*) Name of State    (\*\*) Name of SDA    (\*\*\*) Name of Central Public Sector Utility

**SECTION – INB**  
**INTRODUCTION TO BIDDERS**

# INSTRUCTION TO BIDDERS

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# SECTION – INB INSTRUCTION TO BIDDERS

## A. INTRODUCTION

### 1.0 GENERAL INSTRUCTIONS

- 1.1 The \_\_\_\_\_<sup>\*\*\*</sup>, (implementer of the project on behalf of \_\_\_\_\_<sup>\*\*</sup>) hereinafter called \_\_\_\_\_<sup>\*\*\*</sup>/ 'Employer' will receive bids in respect of equipment to be furnished and erected as set-forth in the accompanying Specifications. All bids shall be prepared and submitted in accordance with these instructions.

### 2.0 QUALIFYING REQUIREMENTS OF BIDDERS

- 2.1 This bidding is open to any manufacturer or erector who provides satisfactory evidence concerning the following that he:
- a. is a qualified manufacturer or erector who regularly manufactures or installs the equipment of the type specified and has adequate technical knowledge and practical experience;
  - b. does not anticipate change in the ownership during the proposed period of work (if such a change is anticipated, the scope and effect thereof shall be defined);
  - c. has adequate financial stability and status to meet the financial obligation pursuant to the scope of the works (the Bidders should submit 5 copies of their profit and loss account and balance sheet for the last five years);
  - d. (i) For Manufacturer:  
has adequate plant and manufacturing capacity available to perform the works properly and expeditiously within the time period specified. The evidence shall consist of written details of the installed manufacturing capacities and present commitments (excluding the work under this Specification) of the Bidder or his principal. If the present commitments are such that the installed capacity results in inadequacy of the manufacturing capacities to meet the requirement of equipment corresponding to this bid, then the details of alternative arrangements to be organized by the Bidder for this purpose and which shall meet the Employer's approval, shall also be furnished;
  - (ii) For Erector:  
has adequate capacity for erection and installation to perform the works properly and expeditiously within the time period specified. The evidence shall consist of written details of the capacities and present

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commitments (excluding the work under this specification) of the Bidder or its principal. If the present commitments are such that may result in inadequacy to undertake the works corresponding to this bid (work under this specification), then the details of the alternative arrangements to be organized by the Bidder for this purpose and which shall meet the Employer's approval, shall also be furnished;

- e. has adequate field services organization to provide the necessary field erection and management services required to successfully erect, test and commission the equipment as required by the Specifications and Documents; and
- f. has established quality assurance systems and organization designed to achieve high levels of equipment reliability, both during his manufacturing and field installation activities.

2.1.1 Majority publicly owned enterprises domiciled in India may be eligible to qualify if, in addition to meeting all the qualifying requirements, they also:

- (a) are commercially oriented legal entities distinct from \_\_\_\_\_<sup>\*\*\*</sup>, and are not a government or department;
- (b) are financially autonomous, as demonstrated by requirements in their constitutions to provide separate audited accounts and return on capital, powers to raise loans and obtain revenues through the sale of goods or services; and
- (c) are managerially autonomous

2.2 In addition, the qualifying requirement stated in the accompanying 'Special Conditions of Contract' shall also apply.

2.3 The above stated requirements are a minimum and \_\_\_\_\_<sup>\*\*\*</sup> reserves the right to request for any additional information and also reserves the right to reject the Proposal of any Bidder, if in the opinion of \_\_\_\_\_<sup>\*\*\*</sup>, the qualification data is incomplete or the Bidder is found not qualified to satisfactorily perform the Contract.

### 3.0 COST OF BIDDING

3.1 The Bidder shall bear all costs and expenses associated with preparation and submission of its bid including post-bid discussions, technical and other presentations etc, and \_\_\_\_\_<sup>\*\*\*</sup> will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

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## **B. THE BIDDING DOCUMENTS**

### **4.0 CONTENTS OF BIDDING DOCUMENT**

- 4.1 The goods and services required, bidding procedures and Contract terms are prescribed in the Bidding Document.

In addition to the Invitation to Bids, the Bidding Document is a compilation of the following Sections:

- a. Instructions to Bidders –Section INB (Vol.I).
- b. General Conditions of Contract –Section GCC (Vol.I).
- c. Erection Conditions of Contract-Section ECC (Vol.I).
- d. Special Conditions of Contract (Vol.IA).
- e. Bid Form and Price Schedules (Vol.IB).
- f. Technical Specifications (Vol.II).
- g. Technical Data Sheets (Vol.III).

### **5.0 UNDERSTANDING OF BID DOCUMENTS**

- 5.1 A prospective Bidder is expected to examine all instructions, forms, terms and specifications in the Bid documents and fully inform himself as to all the conditions and matters which may in any way affect the scope of work or the cost thereof. Failure to furnish all information required by the Bid document or submission of a Bid not substantially responsive to the Bid document in every respect will be at the Bidder's risk and may result in the rejection of its bid.

### **6.0 CLARIFICATIONS ON BID DOCUMENTS**

- 6.1 If the prospective Bidder finds discrepancies or omissions, in specifications and document or is in doubt as to the true meaning of any part, he shall at once make a request, in writing, for an interpretation/clarification, to \_\_\_\_\_<sup>\*\*\*</sup> in triplicate. The \_\_\_\_\_<sup>\*\*\*</sup>, then, will issue interpretation(s) and clarification(s) as he may think fit in writing. After receipt of such interpretation(s) and clarification(s), the Bidder may submit his bid but within the time and date as specified in the Invitation to Bid. All such interpretations and clarifications shall form a part of the Bidding Document and shall accompany the Bidder's Proposal. A prospective Bidder requiring any clarification on Bidding Document may notify \_\_\_\_\_<sup>\*\*\*</sup> in writing. \_\_\_\_\_<sup>\*\*\*</sup> will respond in writing to any request for such clarification of the Bidding Document which it receives not later than fifteen (15) days prior to the deadline for submission of bids prescribed by \_\_\_\_\_<sup>\*\*\*</sup>. Written copies of \_\_\_\_\_<sup>\*\*\*</sup>'s response (including an explanation of the query but without identifying its source) will be sent to all prospective Bidders who have received the Bidding Document.

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6.2 Verbal clarification and information given by \_\_\_\_<sup>\*\*\*</sup> or his employee(s) or his representative(s) shall not in any way be binding on \_\_\_\_<sup>\*\*\*</sup>.

## 7.0 AMENDMENT TO BIDDING DOCUMENT

7.1 At any time prior to the deadline for submission of bids, \_\_\_\_<sup>\*\*\*</sup> may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Bidder, modify the Bidding Document by amendment (s).

7.2 The amendment will be notified in writing or by telex or cable to all prospective Bidders, which have received the Bidding Document at the address contained in the letter of request for issue of Bidding Document from the Bidders. \_\_\_\_<sup>\*\*\*</sup> will bear no responsibility or liability arising out of non-receipt of the same in time or otherwise.

7.3 In order to afford prospective Bidders reasonable time in which to take the amendment into account in preparing their bids, \_\_\_\_<sup>\*\*\*</sup> may, at its discretion, extend the deadline for the submission of bids by a maximum period of 15 days.

7.4 Such amendments, clarifications, etc, shall be binding on the Bidders and will be given due consideration by the Bidders while they submit their bids and invariably enclose such documents as a part of the bid.

## C. PREPARATION OF BIDS

### 8.0 LANGUAGE OF BID

8.1 The bid prepared by the Bidder and all correspondences and documents relating to the bid, exchanged by the Bidder and \_\_\_\_<sup>\*\*\*</sup> shall be written in the English language, provided that any printed literature furnished by the Bidder may be written in another language so long as accompanied by an English translation of its pertinent passages. Failure to comply with this may disqualify a bid. For purposes of interpretation of the bid, the English translation shall govern.

### 9.0 LOCAL CONDITIONS

9.1 It will be imperative on each Bidder to fully inform himself of all local conditions and factors, which may have any effect on the execution of the Contract covered under these documents and specifications. \_\_\_\_<sup>\*\*\*</sup> shall not entertain any request for clarifications from the Bidders, regarding such local conditions.

9.2 It must be understood and agreed that such factors have properly been investigated and considered while submitting the Proposals. No claim for

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financial adjustment to the Contract, awarded under these specifications and documents, will be entertained by \_\_\_\_\_<sup>\*\*\*</sup>. Neither any change in the time schedule of the Contract nor any financial adjustments arising thereof shall be permitted by the Employer, which are based on the lack of such clear information or its effect on the cost of the Works to the Bidder.

## 10.0 DOCUMENTS COMPRISING THE BID

- 10.1 The Bidder shall complete the Bid Form inclusive of Price Schedules, Technical Data Requirements etc. furnished in the Bidding Documents as detailed in clause 4.0 above, indicating for the goods to be supplied and services to be rendered, a brief description of goods and services, quantity and prices.
- 10.2 The Bidder shall also submit documentary evidence to establish that the Bidder meets the Qualification Requirements as detailed in Clause 2.0 above and accompanying Special Conditions of Contract.
- 10.3 The Bid Guarantee shall be furnished in a separate cover in accordance with clause 22.0 of Section INB.

## 11.0 SCOPE OF THE PROPOSAL

- 11.1 The scope of the Proposal shall be on the basis of a single Bidder's responsibility, completely covering all the equipment and their erection specified under the accompanying Technical Specifications. It will include the following:
- a. detailed design of the equipment;
  - b. complete manufacture including shop testing;
  - c. providing Engineering drawing, data, operational manual, etc for the \_\_\_\_\_<sup>\*\*\*</sup>'s approval;
  - d. packing and transportation from the manufacturer's works to the site;
  - e. receipt, storage, preservation and conservation of equipment at the site;
  - f. pre-assembly, if any, erection, testing and commissioning of all the equipment; and
  - g. reliability tests and performance and guarantee tests on completion of commissioning.
  - h. quality assurance certificate of the equipment
- 11.2 Bids containing deviations from provisions relating to the following clauses will be considered as non-responsive:

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- a) **Bid Guarantee:** Clause 22.0, Section INB, Volume-I, Conditions of Contract.
- b) **Price Basis and Payments & Price Adjustment:** Clause 13 & 15, Section INB, Volume-I, Conditions of Contract.
- c) **Contract Performance Guarantee:** Clause 41.0, Section INB, Volume-I, Conditions of Contract.
- d) **Liquidated damages:** Clause 14.0, Section GCC, Volume-I, Conditions of Contract.
- e) **Guarantee:** Clause 15.0, Section GCC, Volume-I, Conditions of Contract.
- f) **Payment:** Clause 34.0, Section GCC, Volume-I, Conditions of Contract.

\_\_\_\_\_\*\*\*'s determination of a bid's responsiveness is to be based on the contents of the bid itself without recourse to extrinsic evidence.

11.3 Bids not covering the above entire scope of Works shall be treated as incomplete and hence rejected.

## 12.0 BID PRICE

12.1 The Bidder shall quote in the appropriate schedule of Bid Form lump-sum price for the entire scope of works (covered under the Bidding Document) and also the unit rates of the goods it proposes to supply under the Contract on a base price with price adjustment basis, unless otherwise specified in the Special Conditions of Contract.

12.2 The Bidder shall also furnish the price break-up in the appropriate schedules of Bid Form to indicate the following:

- i Ex-works price of the equipment/materials (including tools and tackles etc.)
- ii. Charges for inland transportation and insurance for delivery of the equipment/materials upto their final destinations.
- iii. Lump-sum charges towards unloading, storage, insurance, erection (including insurance during construction period), testing & commissioning.
- iv. Sales Tax and any other statutory levies payable on the transactions between \_\_\_\_\_\*\*\* and the Bidder.
- vi. Any other charges as per the requirement of Special Conditions of Contract/ Technical Specifications.

### 13.0 PRICE BASIS AND PAYMENTS

- 13.1 The Bidders shall quote in their Proposals lump-sum price for the entire scope of works covered under the Technical Specifications as required in the Bid Proposal Sheets on a base price plus escalation basis unless otherwise specified in the Special Conditions of Contract. Bidders quoting a system of pricing other than that specified shall be rejected.
- 13.2 Bidder shall indicate bid prices in Indian Rupees only.

### 14.0 TAXES AND DUTIES

- 14.1 All customs duties, excise duties, sales taxes and other statutory levies payable by the Bidders in respect of the transaction between the Bidders and their vendors/sub-suppliers while procuring any components, sub-assemblies, raw materials and equipment shall be included in the bid price and no claim on this behalf will be entertained by \_\_\_\_<sup>\*\*\*</sup>.

However, octroi/entry tax as applicable for destination site/state on all items of supply including bought-out finished items (as identified in the Contract), which shall be dispatched directly from the sub-vendors' works to Employer's site (sale-in-transit) shall not be included in the bid price. The applicable octroi/entry tax in respect of the said items of supply would be reimbursed to the Contractor separately by \_\_\_\_<sup>\*\*\*</sup> subject to furnishing of documentary proof.

Further, service tax as applicable on services that are not provided directly by the Contractor to \_\_\_\_<sup>\*\*\*</sup> viz. transportation & insurance shall be included in the bid price and any such taxes additionally payable will be to the Contractor's account and no separate claim on this behalf will be entertained by \_\_\_\_<sup>\*\*\*</sup>. However, applicability of service tax shall be ascertained and if applicable on services (for which the charges are payable by \_\_\_\_<sup>\*\*\*</sup>) that are provided directly by the Contractor to the Employer viz. type tests, erection, testing and commissioning shall not be included in bid price, but indicated separately, and the same shall be reimbursed to the Contractor by \_\_\_\_<sup>\*\*\*</sup> subject to furnishing of documentary proof.

- 14.2 Sales tax, excise duties, local taxes and other levies in respect of the transactions between \_\_\_\_<sup>\*\*\*</sup> and the Contractor under the Contract, if any, shall not be included in the bid price but they should be indicated separately wherever applicable in the Bid Proposal Sheets.

Whenever ex-works price is quoted exclusive of Excise duty applicable on the transaction between \_\_\_\_<sup>\*\*\*</sup> and the Contractor, then the due credit under the MODVAT (Modified Value Added Tax) scheme, as per the relevant

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Government policies wherever applicable, shall be taken into account by the Bidder while quoting bid price.

- 14.3 In respect of transactions solely between \_\_\_\_\_<sup>\*\*\*</sup> and the Contractor (for dispatches made from the Contractor's works under the Supply Contract), Sales Tax, Excise Duties, local taxes and other levies shall be paid/reimbursed by \_\_\_\_\_<sup>\*\*\*</sup> at the applicable rate at the time of dispatch, scheduled or actual, whichever is lower. However, in case of advancement of supplies solely at the request of \_\_\_\_\_<sup>\*\*\*</sup>, taxes and duties prevailing at the time of dispatch, shall be payable by \_\_\_\_\_<sup>\*\*\*</sup>.
- 14.4 Concessional Sales Tax declaration forms, as admissible, would be issued to the Contractor, on request, for all items (as identified in the price schedule of the bid) to be supplied directly by the Contractor as well as for the items to be supplied by the sub-suppliers as sale in transit.
- 14.5 Sales Tax on goods incorporated in the Works:

The Bidder shall include the Sales Tax on Works Contract, Turnover Tax or any other similar taxes under the Sales Tax Act, as applicable in their quoted bid price and \_\_\_\_\_<sup>\*\*\*</sup> would not bear any liability on this account. \_\_\_\_\_<sup>\*\*\*</sup> shall, however, deduct such taxes at source as per the rules and issue TDS Certificate to the Contractor.

- 14.6 For payment/reimbursement of Sales Tax, in respect of dispatches made directly from Contractor's works, invoices raised by the Contractor shall be accepted as documentary evidence. Similarly, pre-numbered invoices duly signed by authorized signatory will be considered as evidence for payment of Excise Duty.
- 14.7 As regards the Income Tax, surcharge on Income Tax and other corporate taxes the Bidder shall be responsible for such payment to the concerned authorities.

## 15.0 PRICE ADJUSTMENT

- 15.1 Unless otherwise specified in the accompanying Special Conditions of Contract, the Bidder shall, in his Proposal, quote a base price, which will be subject to price adjustment on account of variations in the cost elements during the period of the Contract. The intent of the price adjustment provisions in the Bidding Documents is to provide reasonable protection to the parties to the Contract, but within the prescribed limits, against fluctuations of the cost of material, labour etc, during execution of the Contract and resulting in variation in the Contract price.
- 15.2 The components of the bid price, which are subject to price adjustment

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provisions and the formulae for such price adjustment are described in Clause 33.0, Section GCC.

- 15.3 The indices for price adjustment shall be clearly named in the Bidder's Proposal in which the Ex-factory price of the equipment/material and erection price for the equipment has been expressed in the bid. The indices shall be well established and nationally recognized; preferably only government indices shall be used. For the Indian field labour, the index applicable shall be the All India Consumer Price Index for Industrial Workers as published by the Labour Bureau of the Government of India. The Bidder shall enclose with his Proposal authenticated copies of the relevant published indices, which reflect the price as of thirty (30) days prior to the date set for opening of bids.
- 15.4 However, the successful Bidder may be permitted to suggest modifications in the values of co-efficient or group of co-efficient indicated in the Bid in line with the requirements indicated in the above formulae provided such successful Bidder is able to satisfy the Employer with proper justification for such modifications.
- 15.5 Bids specifying price adjustment provisions other than those specified in these specifications and documents shall be rejected.

However, a bid submitted with fixed price quotation will not be rejected but the price quoted will be treated as base price for the purpose of evaluation and no price variation will be allowed during the currency of the Contract.

- 15.6 The price adjustment provisions will not be taken into consideration for evaluation.

## 16.0 TIME SCHEDULE

- 16.1 The basic consideration and the essence of the Contract shall be strict adherence to the time schedule for performing the specified Works.
- 16.2 \_\_\_\_\*\*'s requirement of completion schedule for the Works are mentioned in the accompanying Special Conditions of Contract.
- 16.3 The completion schedule as stated in the Special Conditions of Contract shall be one of the major factors in consideration of the bids.
- 16.4 \_\_\_\_\*\*\* reserves the right to request for a change in the work schedule during pre-award discussions with successful Bidder.
- 16.5 The successful Bidder will be required to prepare detailed PERT network and finalise the same with \_\_\_\_\*\*\* as per the requirement of Clause 12.0, Section GCC.

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## 17.0 CONTRACT QUALITY ASSURANCE

- 17.1 The Bidder shall include in his Proposal the Quality Assurance Programme containing the overall quality management and procedures, which he proposes to follow in the performance of the Works during various phases as detailed in relevant clause of the General Technical Conditions.
- 17.2 At the time of Award of Contract, the detailed Quality Assurance Programme to be followed for the execution of the Contract will be mutually discussed and agreed to and such agreed Programme shall form a part of the Contract.

## 18.0 INSURANCE

The Bidder's insurance liabilities pertaining to the scope of Works are detailed out in Clauses titled 'Insurance' in General Terms and Conditions of Contract and in Erection Conditions of this Volume I. Bidder's attention is specifically invited to these clauses. Bid price shall include all the cost in pursuance of fulfilling all the insurance liabilities under the Contract.

## 19.0 MAINTENANCE TOOLS AND TACKLES

The Proposal shall include all special tools and tackles required for the operation and maintenance of the equipment in each equipment package. The Bidder shall indicate all the above items in the Proposal sheets in the form of a schedule given therein and the description and the quantity of each item. The lump sum price to be quoted by the Bidder shall include prices of these tools and tackles. These tools and tackles shall be delivered at site along with the last consignment of equipment and in no case earlier than this, unless otherwise specified in the Special Conditions of Contract and/or Technical Specifications, Volume-II.

## 20.0 ERECTION TOOLS & TACKLES

The Bidder, under a separate schedule, in his Proposal shall include a list of all special equipment, tools & tackles etc. which he proposes to bring to site for the purpose of erection, handling, testing and commissioning including performance & guarantee tests of the equipment. If any such equipment is listed anywhere else in the Proposal and not specially mentioned in the above schedule, it shall be deemed to have been included in the Bidder's proposed scope of supply.

## 21.0 BRAND NAMES

- 21.1 The specific reference in these specifications and documents to any material/

equipment by brand name, make or catalogue number shall be construed as establishing standards of quality and performance and not as limiting competition. However, Bidders may offer other similar material/equipment provided they meet the specified standard, design and performance requirements. The Bidder shall furnish adequate technical information about such alternative material/equipment to enable \_\_\_\_\_<sup>\*\*\*</sup> to determine its acceptability. \_\_\_\_\_<sup>\*\*\*</sup> shall be the sole judge on the acceptability or otherwise of such alternative material /equipment.

21.2 The Bidder shall note that standards for workmanship, material and equipment and reference to brand names or catalogue numbers designated by \_\_\_\_\_<sup>\*\*\*</sup> in its Technical Specifications are intended to be descriptive only and not restrictive. The Bidder may substitute alternative standards, brand name and/or catalogue numbers in its bid, provided that it demonstrates to \_\_\_\_\_<sup>\*\*\*</sup>'s satisfaction that the substitutions are substantially equivalent or superior to those designed in the Technical Specifications.

## 22.0 BID GUARANTEE

22.1 The Bidder shall furnish, as part of its bid, bid guarantee for an amount as specified in the accompanying Special Conditions of Contract. The bid guarantee shall be valid for a period of seven (7) calendar months from the date of opening of bids.

22.2 The bid security is required to protect \_\_\_\_\_<sup>\*\*\*</sup> against the risk of Bidder's conduct, which would warrant the guarantee forfeiture, pursuant to Clause 22.7. The bid guarantee shall be made payable to \_\_\_\_\_<sup>\*\*\*</sup> without any condition whatsoever.

22.3 The bid guarantee shall be denominated in Indian Rupees only and shall be in one of the following forms:

- a. Crossed Bank draft in favour of -----, payable at -----, from a reputed commercial Bank/Financial Institution i.e IFCI, ICICI, IDBI.
- b. A cheque certified by the Banker as good for payment drawn in favour of..... payable at ----- on a reputed commercial Bank/Financial Institution i.e. IFCI, ICICI, IDBI.
- c. An irrevocable Bank Guarantee issued by a reputed commercial Bank/ Financial Institution i.e. IFCI, ICICI, IDBI in favour of ----- . Performa for the Bank Guarantee is enclosed as **Annexure-I** to this Volume-I.

22.4 Any bid not secured in accordance with paras 22.1 and 22.3 above will be rejected by \_\_\_\_\_<sup>\*\*\*</sup> as non-responsive.



- 22.5 Unsuccessful Bidder's bid guarantee will be discharged/returned as promptly as possible but not later than 60 days after the expiration of the period of bid validity prescribed by \_\_\_\_\_<sup>\*\*\*</sup>.
- 22.6 The successful Bidder's bid guarantee will be discharged upon the Bidder's executing the Contract and furnishing the Performance Guarantee pursuant to Clause 41.0.
- 22.7 The bid guarantee may be forfeited:
- a. If a Bidder withdraws / modifies its bid during the period of bid validity specified by the Bidder on the Bid Form; or
  - b. In case the Bidder does not withdraw the deviations proposed by him, if any, at the cost of withdrawal stated by him in the bid; or
  - c. If a Bidder does not accept the corrections to arithmetical errors identified during preliminary evaluation of his bid pursuant to Clause 33.2, Section-INB; or
  - d. If, as per the Qualifying Requirements the Bidder has to submit a Deed of Joint Undertaking and he fails to submit the same, duly attested by Notary Public of the place(s) of the respective executant(s) or registered with the Indian Embassy/High Commission in that country, within ten days from the date of intimation of post-bid discussion; or
  - e. In case of a successful Bidder, if the Bidder fails to sign the Contract; or
  - f. In case of a successful Bidder, if the Bidder fails to furnish the Performance Guarantee.
- 22.8 The bid guarantee shall be submitted along with the bid in separate sealed envelope in one original and two copies. Any bid not accompanied by the required bid security in accordance with provisions of this clause will be rejected and shall not be opened.
- 22.9 No interest shall be payable by \_\_\_\_\_<sup>\*\*\*</sup> on the above bid security.

### 23.0 PERIOD OF VALIDITY OF BIDS

- 23.1 Bids shall remain valid for 6 (six) calendar months after the date of bid opening prescribed by \_\_\_\_\_<sup>\*\*\*</sup> unless otherwise specified in the accompanying Special Conditions of Contract. A bid valid for a shorter period will be rejected as non-responsive.
- 23.2 In exceptional circumstances, \_\_\_\_\_<sup>\*\*\*</sup> may solicit the Bidder's consent to an extension of the period of validity. The request and the response thereto shall be made in writing (including cable or telex). The bid security provided under

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Clause 22.0 shall also be extended by the same period as the extension in the validity of the Bid. A Bidder may refuse the request without forfeiting his bid security. A Bidder granting the request will not be required or permitted to modify its bid.

## **D. SUBMISSION OF BIDS**

### **24.0 FORMAT OF BID**

- 24.1 The Bidder shall prepare five copies of the bid, clearly marking each “Original Bid” and “Copy of bid”, as appropriate. In the event of any discrepancy between them, the original shall govern.
- 24.2 The original and all copies of the bid shall be typed or written in indelible ink and shall be signed by the Bidder or a person or persons duly authorized to bind the Bidder to the Contract. The letter of authorization shall be indicated by written Power-of-Attorney accompanying the bid. All pages of the bid, except for un-amended printed literature, shall be initialed by the person or persons signing the bid.
- 24.3 The Bidders must submit the qualifying data in five copies, as required in this Instruction to Bidders in a separate envelope sealed and enclosed in the envelope submitting Proposals, super scribed as under:

### **QUALIFYING DATA FOR THE SUPPLY AND ERECTION OF**

---

(Name of the Package)

---

(Specification Number)

- 24.4 The bid shall contain no interlineations, erasures or overwriting except as necessary to correct errors made by the Bidder, in which case such corrections shall be initialed by the person or persons signing the bid.

### **25.0 SIGNATURE OF BIDS**

- 25.1 The bid must contain the name, residence and place of business of the person or persons making the bid and must be signed and sealed by the Bidder with his usual signature. The names of all persons signing should also be typed or printed below the signature.
- 25.2 Bid by a partnership must be furnished with full names of all partners and be signed with the partnership name, followed by the signature(s) and designation(s) of the authorized partner(s) or other authorized representative(s).

- 25.3 Bids by Corporation/Company must be signed with the legal name of the Corporation/Company by the President, Managing Director or by the Secretary or other person or persons authorized to bid on behalf of such Corporation/Company in the matter.
- 25.4 A bid by a person who affixes to his signature the word ‘President’, ‘Managing Director’, ‘Secretary’, ‘Agent’ or other designation without disclosing his principal will be rejected.
- 25.5 Satisfactory evidence of authority of the person signing on behalf of the Bidder shall be furnished with the bid.
- 25.6 The Bidder’s name stated on the Proposal shall be the exact legal name of the firm.
- 25.7 Bids not conforming to the above requirements of signing shall be disqualified.

**26.0 SEALING AND MARKING OF BIDS**

- 26.1 The Bidders shall seal the original and each copy of the bid in an inner and an outer envelope, duly marking the envelopes as “Original” and “Copy”.
- 26.2 The inner and outer envelopes shall be:
  - a. addressed to \_\_\_\_\_<sup>\*\*\*</sup> at the following address:  
\_\_\_\_\_,  
\_\_\_\_\_,  
\_\_\_\_\_,  
\_\_\_\_\_.
  - b. bear the name of package, the specification number, and the words **“DO NOT OPEN BEFORE .....**”
- 26.3 The inner envelope shall indicate the name and address of the Bidder to enable the bid to be returned unopened, in case it is declared “late” or “rejected”.
- 26.4 If the outer envelope is not sealed and marked as required by para 26.2 above, \_\_\_\_\_<sup>\*\*\*</sup> will assume no responsibility for the bid’s misplacement or premature opening.
- 26.5 The Bid Guarantee conditions must be submitted in a separate sealed envelope.

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## 27.0 DEADLINE FOR SUBMISSION OF BIDS

- 27.1 The Bidders have the option of sending the bid by registered post or submitting the bid in person. Bids submitted by telex/telegram will not be accepted. No request from any Bidder to collect the Proposals from airlines, cargo agents etc. shall be entertained.
- 27.2 Bids must be received by \_\_\_\_<sup>\*\*\*</sup> at the address specified under para 26.2, not later than the time & date mentioned in the Invitation to Bid.
- 27.3 \_\_\_\_<sup>\*\*\*</sup> may, at its discretion, extend this deadline for the submission of bids by amending the Bidding Document, in which case all rights and obligations of \_\_\_\_<sup>\*\*\*</sup> and Bidders previously subject to the deadline will thereafter be subject to the deadline as extended.

## 28.0 LATE BIDS

- 28.1 Any bid received by \_\_\_\_<sup>\*\*\*</sup> after the time & date fixed or extended for submission of bids prescribed by \_\_\_\_<sup>\*\*\*</sup>, will be rejected and/or returned unopened to the Bidder.

## 29.0 MODIFICATION AND WITHDRAWAL OF BIDS

- 29.1 The Bidder may modify or withdraw its bid after the bid's submission provided that written notice of the modification or withdrawal is received by \_\_\_\_<sup>\*\*\*</sup> prior to the deadline prescribed for submission of bids.
- 29.2 The Bidder's modification or withdrawal notice shall be prepared, sealed, marked and dispatched in accordance with the provisions of Clause 26.0.
- 29.3 No bid may be modified subsequent to the deadline for submission of bids.
- 29.4 No bid may be withdrawn in the interval between the deadline for submission of bids and the expiration of the period of bid validity specified by the Bidder on the Bid Form. Withdrawal/modification of a bid during this interval may result in the Bidder's forfeiture of its bid security.

## 30.0 INFORMATION REQUIRED WITH THE PROPOSAL

- 30.1 The bids must clearly indicate the name of the manufacturer, the type of model of each principle item of equipment proposed to be furnished and erected. The bid should also contain drawings and descriptive materials indicating general dimensions, materials from which the parts are manufactured, principles of operation, the extent of pre-assembly involved, major construction equipment proposed to be deployed, method of erection and the proposed erection organizational structure.

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To be inserted: (\*) Name of State (\*\*) Name of SDA (\*\*\*) Name of Central Public Sector Utility

- 30.2 The above information shall be provided by the Bidder in the form of separate sheets, drawings, catalogues, etc. in five copies.
- 30.3 Any bid not containing sufficient descriptive material to describe accurately the equipment proposed may be treated as incomplete and hence rejected. Such descriptive materials and drawings submitted by the Bidder will be retained. Any major departure from these drawings and descriptive material submitted will not be permitted during the execution of the Contract without specific written permission of \_\_\_\_<sup>\*\*\*</sup>.
- 30.4 Oral statements made by the Bidder at any time regarding quality, quantity or arrangement of the equipment or any other matter will not be considered.
- 30.5 Standard catalogue pages and other documents of the Bidder may be used in the bid to provide additional information and data as deemed necessary by the Bidder.
- 30.6 The Bidder, along with his Proposal, shall submit a list of recommended erection equipment and materials which will be required for the purpose of erection of equipment and materials supplied under the Contract.
- 30.7 In case the 'Proposal' information contradicts specification requirements, the specification requirements will govern.

## **E. BID OPENING AND EVALUATION**

### **31.0 OPENING OF BIDS**

- 31.1 \_\_\_\_<sup>\*\*\*</sup> will open bids in the presence of Bidders' representatives (up to 2 persons) who choose to attend at the date and time for opening of bids in the Invitation to Bid or in case any extension has been given thereto, on the extended bid opening date and time notified to all the Bidders who have purchased the Bidding Document. The Bidders' representatives, who are present, shall sign in a register evidencing their attendance.
- 31.2 The Bidders' names, bid prices, modifications, bid withdrawals and the presence or absence of the requisite bid guarantee and such other details as \_\_\_\_<sup>\*\*\*</sup>, at its discretion, may consider appropriate will be announced at the opening.
- 31.3 No electronic recording devices will be permitted during bid opening.

## 32.0 CLARIFICATION OF BIDS

- 32.1 To assist in the examination, evaluation and comparison of bids \_\_\_\_<sup>\*\*\*</sup> may, at its discretion, ask the Bidder for a clarification of its bid. The request for clarification and the response shall be in writing and no change in the price or substance of the bid shall be sought, offered or permitted.

## 33.0 PRELIMINARY EXAMINATION

- 33.1 \_\_\_\_<sup>\*\*\*</sup> will examine the bids to determine whether they are complete, whether any computational errors have been made, whether required sureties have been furnished, whether the documents have been properly signed, and whether the bids are generally in order.

- 33.2 Arithmetical errors will be rectified on the following basis:

If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and total price shall be corrected. If there is a discrepancy between words and figures, the amount in words will prevail. If the Bidder does not accept the correction of the errors as above, his Bid will be rejected and the amount of Bid guarantee forfeited.

The Bidder should ensure that the prices furnished in various price schedules are consistent with each other. In case of any inconsistency in the prices furnished in the specified price schedules to be identified in Bid Form for this purpose, the Employer shall be entitled to consider the highest price for the purpose of evaluation and for the purpose of award of the Contract use the lowest of the prices in these schedules.

- 33.3 Prior to the detailed evaluation, \_\_\_\_<sup>\*\*\*</sup> will determine the substantial responsiveness of each bid to the Bidding Document. For purpose of this Clause, a substantially responsive bid is one, which conforms to all the terms and conditions of the Bidding Document without material deviations. A material deviation is one which limits in any substantial way, inconsistent with the bidding documents, the Employers rights or the bidder's obligation under the contract or whose rectification would affect a unfairly the competitive position of other bidders presenting substantially responsive bids and which affects in any way the prices, quality, quantity or delivery period of the equipment or which limits in any way the responsibilities or liabilities of the Bidder of any right of the \_\_\_\_<sup>\*\*\*</sup> as required in these specifications and documents. \_\_\_\_<sup>\*\*\*</sup>'s determination of a bid's responsiveness shall be based on the contents of the bid itself without recourse to extrinsic evidence.

- 33.4 A bid determined as not substantially responsive will be rejected and may not subsequently be made responsive by the Bidder by correction of the non-

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To be inserted: (\*) Name of State (\*\*) Name of SDA (\*\*\*) Name of Central Public Sector Utility

conformity.

- 33.5 \_\_\_\*\*\* may waive any minor informality or non-conformity or irregularity in a bid which does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any Bidder.

### **34.0 DEFINITIONS AND MEANINGS**

- 34.1 For the purpose of evaluation and comparison of bids, the following meanings and definitions will apply: -

- a. 'Bid Price' shall mean the base price quoted by each Bidder in his Proposal for the complete scope of works.
- b. 'Differential Price' shall mean the summation of the equalizing elements of price for parameter differential or deficiencies in the equipment and services determined from the Bidder's Proposal.
- c. 'Evaluated Bid Price' shall be the summation of 'Bid Price' and 'Differential Price'.

### **34.2 Calculation of Differential Price**

- 34.2.1 The Differential Price to be added to the Bid Price of each bid during evaluation and comparison shall be derived as under:

Differential Price (DP)=  $n_1F_1 + n_2F_2 + \dots + n_nF_n$  where  $F_1, F_2, \dots, F_n$  are the various factors in Indian Rupees per unit of parameter differential or deficiency in the equipment and services offered as stipulated in these specifications;  $n_1, n_2, \dots, n_n$  are the respective parameter differential or deficiency in the corresponding units to be determined from the Bidder's Proposal. The above factors and corresponding units of parameter differential are brought out in the Technical Specifications and/or Special Conditions of Contract.

### **35.0 COMPARISON OF BIDS**

- 35.1 The bids shall be compared on the basis of lump-sum prices (i.e. for supply portion and prices for services to be rendered as quoted by the Bidder) for the entire scope of the Proposal as defined in the Bidding Document.
- 35.2 For comparison purposes all the evaluated bid prices shall be in Indian Rupees as under: -

$$W = M + DP$$

Where

W = Total Comparison Price

M = Bid price in Indian Rupees (Ex-works value of equipment + Components of erection cost + mandatory spares and other components, if any).

DP = Differential price in Indian Rupees calculated according to para 34.2.1 above.

- 35.3 All evaluated bid prices of all the Bidders shall be compared among themselves to determine the lowest evaluated bid and, as a result of this comparison, the lowest Bid will be selected for the award of the Contract.

### **36.0 CONTACTING THE EMPLOYER**

Bids shall be deemed to be under consideration immediately after they are opened and until such time official intimation of award/rejection is made by \_\_\_\_\_<sup>\*\*\*</sup> to the Bidders. While the bids are under consideration, Bidders and/or their representatives or other interested parties are advised to refrain from contacting by any means, \_\_\_\_\_<sup>\*\*\*</sup> and/or his employees/representatives on matters related to the bids under consideration. \_\_\_\_\_<sup>\*\*\*</sup>, if necessary, will obtain clarifications on the bids by requesting for such information from any or all the Bidders, either in writing or through personal contacts as may be necessary. Bidders will not be permitted to change the substance of the bids after the bids have been opened.

## **F. AWARD OF CONTRACT**

### **37.0 AWARD CRITERIA**

- 37.1 \_\_\_\_\_<sup>\*\*\*</sup> will award the Contract to the successful Bidder whose bid has been determined to be substantially responsive and has been determined as the lowest evaluated bid, provided further that the Bidder is determined to be qualified to perform the Contract satisfactorily. \_\_\_\_\_<sup>\*\*\*</sup> shall be the sole judge in this regard.
- 37.2 In case of Supply Contract, the award shall be on the basis of FOR destination (site) basis.
- 37.3 Further, the Employer reserves the right to award separate Contracts to two or more parties in line with the terms and conditions specified in the accompanying Technical Specifications.



### 38.0 RIGHT TO ACCEPT ANY BID AND TO REJECT ANY OR ALL BIDS

38.1 \_\_\_\_\*\*\* reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids at any time prior to award of Contract, without thereby incurring any liability to the affected Bidder or Bidders or any obligation to inform the affected Bidder or Bidders of the grounds for \_\_\_\_\*\*\*'s action.

### 39.0 NOTIFICATION OF AWARD

39.1 Prior to the expiration of the period of bid validity and extended validity period, if any, \_\_\_\_\*\*\* will notify the successful Bidder in writing by registered letter or by cable/ telex/ fax, to be confirmed in writing by registered letter that its bid has been accepted.

39.2 The notification of award will constitute the formation of the Contract.

39.3 Upon the successful Bidder's furnishing of Contract Performance Guarantee pursuant to Clause 41.0, \_\_\_\_\*\*\* will promptly notify each unsuccessful Bidder and will discharge its bid security, pursuant to Clause 22.0.

### 40.0 SIGNING OF CONTRACT

40.1 At the same time, as \_\_\_\_\*\*\* notifies the successful Bidder that its bid has been accepted, \_\_\_\_\*\*\* will send the Bidder the detailed Letter of Award, incorporating all agreements between the parties.

40.2 Within 15 days of receipt of the detailed Letter of Award, the successful Bidder shall sign and date the same and return it to \_\_\_\_\*\*\*.

40.3 The Bidder will prepare the Contract Agreement as per the proforma enclosed at **Annexure-IX** to this Volume I and the same will be signed within 60 (sixty) days of Notification of Award.

### 41.0 CONTRACT PERFORMANCE GUARANTEE

41.1 As a Contract Performance Security, the successful Bidder, to whom the work is awarded, shall be required to furnish a Performance Guarantee from (a) a Public Sector Bank or (b) a Scheduled Indian Bank having paid up capital (net of any accumulated losses) of Rs.100 crore or above (the latest annual report of the Bank should support compliance of capital adequacy ratio requirement) or (c) any foreign Bank or subsidiary of a foreign Bank with overall international corporate rating or rating of long term debt not less than A- (A minus) or equivalent by reputed rating agency, in the form attached as **Annexure-II** to this Volume-I in favour of \_\_\_\_\*\*\*. The guarantee amount shall be equal to ten percent (10%) of the the Capital Cost ( as defined in SCC

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To be inserted: (\*) Name of State (\*\*) Name of SDA (\*\*\*) Name of Central Public Sector Utility

volume 1A section 2.4)and it shall guarantee the faithful performance of the Contract in accordance with the terms and conditions specified in these documents and specifications. The said bank guarantee shall be valid for a period of 2 years which is to be renewed till 5 years plus 6 months from the date of commissioning.

- 41.2 The Performance Guarantee shall cover additionally the following guarantees:
- a. The successful Bidder guarantees the successful and satisfactory operation of the equipment furnished and erected under the Contract, as per the specifications and documents.
  - b. The successful Bidder further guarantees that the equipment provided and installed by him shall be free from all defects in design, material and workmanship and shall upon written notice from \_\_\_\_<sup>\*\*\*</sup> fully remedy free of expenses such defects as developed under the normal use of the said equipment within the period of guarantee specified in the relevant clause of the General Terms and Conditions in this Volume I/Special Conditions of Contract.
- 41.3 The Contract Performance Guarantee is intended to secure the performance of the entire Contract. However, it is not to be construed as limiting the damages under clause entitled “Equipment Performance Guarantee” in Technical Specifications, Volume-II and damages stipulated in other clauses in the Bid documents.
- 41.4 The Performance Guarantee will be returned to the Contractor without any interest at the end of guarantee period, unless otherwise specified in the Special Conditions of Contract.

**END OF SECTION - INB**

**SECTION – GCC**  
**GENERAL TERMS & CONDITIONS OF**  
**CONTRACT**

# GENERAL TERMS & CONDITIONS OF CONTRACT

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## SECTION – GCC GENERAL TERMS & CONDITIONS OF CONTRACT

### A. INTRODUCTION

#### 1.0 DEFINITION OF TERMS

- 1.1 'Contract' means the agreement entered into between the Employer and the Contractor as per the Contract Agreement signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- 1.2 'Employer' shall mean \_\_\_\_\_<sup>\*\*\*</sup> (entrusted by the \_\_\_\_\_<sup>\*\*</sup> with the concurrence of Government of \_\_\_\_\_<sup>\*</sup>) and shall include its legal representatives, successors and assigns.
- 1.3 'Contractor' or 'Manufacturer' shall mean the Bidder whose bid will be accepted by the Employer for the award of the Works and shall include such successful Bidder's legal representatives, successors and permitted assigns.
- 1.4 'Sub-Contractor' shall mean the person named in the Contract for any part of the Works or any person to whom any part of the Contract has been sublet by the Contractor with the consent in writing of the Engineer and will include the legal representatives, successors and permitted assigns of such person.
- 1.5 'Engineer' shall mean the officer appointed in writing by the Employer to act as Engineer from time to time for the purpose of the Contract.
- 1.6 'Consulting Engineer'/'Consultant' shall mean any firm or person duly appointed as such from time to time by the Employer.
- 1.7 The terms 'Equipment', 'Stores' and 'Materials' shall mean and include equipment, stores and materials to be provided by the Contractor under the Contract.
- 1.8 'Works' shall mean and include the furnishing of equipment, labour and services, as per the Specifications and complete erection, testing and putting into satisfactory operation including all transportation, handling, unloading and storage at the Site as defined in the Contract.
- 1.9 'Specifications' shall mean the Specifications and Bidding Document forming a part of the Contract and such other schedules and drawings as may be mutually agreed upon.
- 1.10 'Site' shall mean and include the land and other places on, into or through which the works and the related facilities are to be erected or installed and any adjacent land, paths, street or reservoir which may be allocated or used by the Employer or Contractor in the performance of the Contract.

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To be inserted:      (\*) Name of State    (\*\*) Name of SDA    (\*\*\*) Name of Central Public Sector Utility

- 1.11 The term ‘Contract Price’ shall mean the lump-sum price quoted by the Contractor in his bid with additions and/or deletions as may be agreed and incorporated in the Letter of Award, for the entire scope of the works.
- 1.12 The term ‘Equipment Portion’ of the Contract price shall mean the ex-works value of the equipment.
- 1.13 The term ‘Erection Portion’ of the Contract price shall mean the value of field activities of the works including erection, testing and putting into satisfactory operation including successful completion of performance and guarantee tests to be performed at Site by the Contractor including cost of insurances.
- 1.14 ‘Manufacturer’s Works’ or ‘Contractor’s Works’, shall mean the place of work used by the manufacturer, the Contractor, their collaborators/associates or Sub-Contractors for the performance of the Contract.
- 1.15 ‘Inspector’ shall mean the Employer or any person nominated by the Employer from time to time, to inspect the equipment; stores or Works under the Contract and/or the duly authorized representative of the Employer.
- 1.16 ‘Notice of Award of Contract’/‘Letter of Award’/‘Telex of Award’ shall mean the official notice issued by the Employer notifying the Contractor that his bid has been accepted.
- 1.17 ‘Date of Contract’ shall mean the date on which Notice of Award of Contract/Letter of Award has been issued.
- 1.18 ‘Month’ shall mean the calendar month. ‘Day’ or ‘Days’ unless herein otherwise expressly defined shall mean calendar day or days of 24 hours each.
- A ‘Week’ shall mean continuous period of seven (7) days.
- 1.19 ‘Writing’ shall include any manuscript, type written or printed statement, under or over signature and/or seal as the case may be.
- 1.20 When the words ‘Approved’, ‘Subject to Approval’, ‘Satisfactory’, ‘Equal to’, ‘Proper’, ‘Requested’, ‘As Directed’, ‘Where Directed’, ‘When Directed’, ‘Determined by’, ‘Accepted’, ‘Permitted’, or words and phrases of like importance are used the approval, judgment, direction etc. is understood to be a function of the Employer/Engineer.
- 1.21 Test on completion shall mean such tests as prescribed in the Contract to be performed by the Contractor before the work is taken over by the Employer.
- 1.22 ‘Start up’ shall mean the time period required to bring the equipment covered under the Contract from an inactive condition, when construction is essentially complete, to the state ready for trial operation. The start-up period shall include preliminary inspection and check-out of equipment and supporting sub-system, initial operation of the complete equipment covered under the

Contract to obtain necessary pre-trial operation data, perform calibration and corrective action, shut- down, inspection and adjustment prior to the trial operation period.

- 1.23 'Operation' shall mean the integral operation of the complete equipment covered under the Contract with the sub-system and supporting equipment in service or available for service. The length of operation shall be as determined by the Engineer, unless otherwise specified elsewhere in the Contract.
- 1.24 'Performance and Guarantee Tests', shall mean all operational checks and tests required to determine and demonstrate capacity, efficiency, and operating characteristics as specified in the Contract Documents.
- 1.25 The term 'Final Acceptance'/'Taking Over' shall mean the Employer's written acceptance of the Works performed under the Contract, after successful commissioning/completion of Performance and Guarantee Tests, as specified in the accompanying Technical Specifications or otherwise agreed in the Contract.
- 1.26 'Commercial Operation' shall mean the condition of operation in which the complete equipment covered under the Contract is officially declared by the Employer to be available for continuous operation at different loads upto and including rated capacity. Such declaration by the Employer, however, shall not relieve or prejudice the Contractor of any of his obligations under the Contract.
- 1.27 'Guarantee Period'/'Maintenance Period' shall mean the period during which the Contractor shall remain liable for repair or replacement of any defective part of the works performed under the Contract.
- 1.28 'Latent Defects' shall mean such defects caused by faulty designs, material or work-man-ship which cannot be detected during inspection, testing etc, based on the technology available for carrying out such tests.
- 1.29 'Drawing', 'Plans, shall mean all:
- a) Drawings furnished by the Employer/Consultant as a basis of Bid/Proposals.
  - b) Supplementary drawings furnished by the Employer/Consultant to clarify and to define in greater detail the intent of the Contract.
  - c) Drawings submitted by the Contractor with his bid provided such drawings are acceptable to the Employer/Consultant.
  - d) Drawings furnished by the Employer/Consultant to the Contractor during the progress of the work; and



- e) Engineering data and drawings submitted by the Contractor during the progress of the work provided such drawings are acceptable to the Engineer/Employer.
- 1.30 'Codes' shall mean the following including the latest amendments and/or replacements, if any:
- a) Indian Electricity Act, 1905 and Rules and Regulations made thereunder.
  - b) Indian Factory Act, 1948 and Rules and Regulations made thereunder.
  - c) Indian Explosives Act, 1884 and Rules and Regulations made thereunder.
  - d) Indian Petroleum Act, 1934 and Rules and Regulations made thereunder.
  - e) A.S.M.E. Test Codes.
  - f) A.I.E.E. Test Codes.
  - g) American Society of Materials Testing Codes.
  - h) Standards of the Indian Standards Institution.
  - i) Other Internationally approved standards and/or rules and regulations touching the subject matter of the Contract.
- 1.31 Words imparting the singular only shall also include the plural and vice –versa where the context so requires.
- 1.32 Words imparting 'Person' shall include firms, companies, corporations and associations or bodies of individuals, whether incorporated or not.
- 1.33 Terms and expressions not herein defined shall have the same meaning as are assigned to them in the Indian Sale of Goods Act (1930), failing that in the Indian Contract Act (1872) and failing that in the General Clauses Act (1897) including amendments thereof, if any.

The various Acts and Regulations are normally available for sale from the following addresses:

- i) Deputy Controller  
Publication Department  
Government of India  
Civil Lines,  
DELHI-110 006

- ii) Deptt. Of Publication  
(Government of India),  
Kitab Mahal  
Unit No.21, Emporia Building,  
Baba Kharak Singh Marg,  
NEW DELHI – 110 001

Or

With leading authorised Government of Indian Book –Sellers.

1.34 In addition to the above the following definitions shall also apply:

- a) 'All equipment and materials' to be supplied shall also mean 'Goods'.  
b) 'Constructed' shall also mean 'erected and installed'.  
c) 'Contract Performance Guarantee' shall also mean 'Contract Performance Security'.

## **2.0 APPLICATION**

These General Conditions shall apply to the extent that they are not superseded by provisions in other parts of the Contract.

## **3.0 STANDARDS**

The goods supplied under this Contract shall conform to the standards mentioned in the Technical Specifications, and, when no applicable standard is mentioned, to the authoritative standard appropriate to the goods and such standards shall be the latest issued by the concerned institution.

## **4.0 LANGUAGE AND MEASURES**

All documents pertaining to the Contract including specifications, schedules, notices, correspondences, operating and maintenance instructions, drawings or any other writing shall be written in English language. The Metric System of measurement shall be used exclusively in the Contract.

## **5.0 CONTRACT DOCUMENTS**

5.1 The term Contract Documents shall mean and include the following, which shall be deemed to form an integral part of the Contract:

- a) Invitation to Bid including letter forwarding the Bidding Documents, Instructions to Bidders, General Terms and Conditions of Contract and all other documents included under Volume- I, and the Special Conditions of Contract.

- b) Specifications of the equipment to be furnished and erected under the Contract as brought out in the accompanying Technical Specifications.
- c) Contractor's Bid Proposal and the documents attached there to including the letters of clarifications thereto between the Contractor and the Employer/Consultant prior to the Award of Contract except to the extent of repugnancy.
- d) All the materials, literature, data and information of any sort given by the Contractor along with his bid, subject to the approval of the Employer /Consultant.
- e) Letter of Award and any agreed variations of the conditions of the documents and special terms and conditions of Contract, if any.

5.2 In the event of any conflict between the above mentioned documents, the matter shall be referred to the Engineer whose decision shall be considered as final and binding upon the parties.

## **6.0 USE OF CONTRACT DOCUMENTS AND INFORMATION**

- 6.1 The Contractor shall not, without the Employer's prior written consent, disclose the Contract, or any provision thereof, or any specification, plan, drawing, pattern, sample or information furnished by or on behalf of the Employer in connection therewith, to any person other than a person employed by the Contractor in the performance of the Contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for the purpose of such performance.
- 6.2 The Contractor shall not, without the Employer's prior written consent, make use of any document or information enumerated in various Contract documents except for the purpose of performing the Contract.
- 6.3 The Contractor shall not communicate or use in advertising, publicity, sales releases or in any other medium, photographs or other reproduction of the Works under this Contract, or descriptions of the site, dimensions, quantity, quality or other information, concerning the works unless prior written permission has been obtained from the Employer.
- 6.4 Any document, other than the Contract itself, enumerated in various Contract documents shall remain the property of the Employer and shall be returned (in all copies) to the Employer on completion of the Contractor's performance under the Contract if so required by the Employer.

## **7.0 CONSTRUCTION OF THE CONTRACT**

- 7.1 Notwithstanding anything stated elsewhere in the bid documents, the Contract to be entered into will be treated as a divisible Supply and Erection Contract.

Award shall be placed on the successful Bidder as follows:

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To be inserted:      (\*) Name of State    (\*\*) Name of SDA    (\*\*\*) Name of Central Public Sector Utility

- i) First Contract: For Ex-works supply of all equipment and materials
- ii) Second Contract: For providing all other services like inland transportation, insurance for delivery at site, unloading, storage, handling at site, installation, testing and commissioning including performance testing in respect of all the equipment supplied under the “First Contract” and any other services specified in the Bid Documents.
- iii) Both these Contracts will contain interlinking cross-fall breach clause specifying that breach of one Contract will constitute breach of the other Contract

7.2 In case of divisible supply and erection Contract, or where the Employer hands over his equipment to the Contractor for executing, then the Contractor shall at the time of taking delivery of the equipment/dispatch documents be required to execute an Indemnity Bond in favour of the Employer in the form acceptable to the Employer for keeping the equipment in safe custody and to utilise the same exclusively for the purpose of the said Contract. Samples of proformae for the Indemnity Bond are enclosed as **Annexure –VII & VIII** to this Volume- I.

7.3 The Contract shall in all respects be construed and governed according to Indian Laws.

7.4 It is clearly understood that the total consideration for the Contract(s) has been broken up into various components only for the convenience of payment of advance under the Contract(s) and for the measurement of deviations or modifications under the Contract(s).

## **8.0 JURISDICTION OF CONTRACT**

8.1 The laws applicable to the Contract shall be the laws in force in India. The Courts of Delhi shall have exclusive jurisdiction in all matters arising under this Contract.

## **9.0 MANNER OF EXECUTION OF CONTRACT**

9.1 The Employer, after the issue of the Letter of Award to the Contractor, will send one copy of the final agreement to the Contractor for his scrutiny and approval.

9.2 The Agreement, unless otherwise agreed to, shall be signed within 60 days of the acceptance of the Letter of Award, at the office of the Employer on a date and time to be mutually agreed. The Contractor shall provide for signing of the Contract, Performance Guarantee in six copies, appropriate power of attorney and other requisite materials. In case the Contract is to be signed beyond the stipulated time, the Bid Guarantee submitted with the Proposal will have to be extended accordingly.

- 9.3 The Agreement will be signed in six originals and the Contractor shall be provided with one signed original and the rest will be retained by the Employer.
- 9.4 The Contractor shall provide free of cost to the Employer all the Engineering data, drawings, and descriptive materials submitted with the bid, in at least six (6) copies to form a part of the Contract immediately after issue of Letter of Award
- 9.5 Subsequent to signing of the Contract, the Contractor at his own cost shall provide the Employer with at least thirty (30) true copies of agreement within thirty (30) days after the signing of the Contract.

## **10.0 ENFORCEMENT OF TERMS**

- 10.1 The failure of either party to enforce at any time any of the provisions of this Contract or any rights in respect thereto or to exercise any option therein provided, shall in no way be construed to be a waiver of such provisions, rights or options or in anyway to affect the validity of the Contract. The exercise by either party of any of its rights herein shall not preclude or prejudice either party from exercising the same or any other right it may have under the Contract.

## **11.0 COMPLETION OF CONTRACT**

- 11.1 Unless otherwise terminated under the provisions of any other relevant clause, this Contract shall be deemed to have been completed on the expiry of the guarantee period as provided for under the clause entitled 'Guarantee' in this section of the Volume-I.

# **B. GUARANTEES & LIABILITIES**

## **12.0 TIME – THE ESSENCE OF CONTRACT**

- 12.1 The time and the date of completion of the Contract as stipulated in the Contract by the Employer without or with modifications, if any, and so incorporated in the Letter of Award, shall be deemed to be the essence of the Contract. The Contractor shall so organize his resources and perform his work as to complete it not later than the date agreed to.
- 12.2 The Contractor shall submit a detailed PERT network/bar chart within the time frame agreed consisting of adequate number of activities covering various key phases of the work such as design, procurement, manufacturing, shipment and field erection activities within fifteen (15) days of the date of Notification of Award. This network shall also indicate the interface facilities to be provided by the Employer and the dates by which such facilities are needed. The Contractor shall discuss the network so submitted with the Employer and the agreed network shall form part of the Contract documents. As provided in the

clause of Terms of Payment in this Section, finalisation of the network/bar charts will be precondition to release of any initial advance to the Contractor. During the performance of the Contract, if in the opinion of the Engineer, proper progress is not maintained, suitable changes shall be made in the Contractor's operations to ensure proper progress without any cost implication to the Employer. The interface facilities to be provided by the Employer in accordance with the agreed network shall also be reviewed while reviewing the progress of the Contractor.

- 12.3 Based on the above agreed network/bar chart monthly reports shall be submitted by the Contractor as directed by the Engineer.
- 12.4 Subsequent to the finalisation of the network, the Contractor shall make available to the Engineer a detailed manufacturing programme in line with the agreed Contract network. Such manufacturing programme shall be reviewed, updated and submitted to the Engineer once every two months thereafter.
- 12.5 The above bar charts/manufacturing programme shall be compatible with the Employer's computer environment and furnished to the Employer on such media as may be desired by the Employer.

### **13.0 EFFECTIVENESS OF CONTRACT**

The Contract shall be considered as having come into force from the date of the notification of award unless otherwise provided in the notification of award.

### **14.0 LIQUIDATED DAMAGES**

#### **14.1 For Equipment Portion**

- 14.1.1 If the Contractor fails to successfully complete the commissioning within the time fixed under the Contract, the Contractor shall pay to the Employer as liquidated damages and not as penalty a sum specified for each specified period of delay. The details of such liquidated damages are brought out in the accompanying Special Conditions of Contract.
- 14.1.2 Equipment and materials shall be deemed to have been delivered only when all its components, parts are also delivered. If certain components are not delivered in time the equipment and materials will be considered as delayed until such time the missing parts are also delivered.
- 14.1.3 Total amount of liquidated damages for delay under the Contract will be subject to a maximum of 5% of the Contract price.
- 14.2 Liquidated damages for not meeting performance guarantee during the performance and guarantee tests shall be assessed and recovered from the Contractor as detailed in Technical Specifications / Special Conditions of Contract. Such liquidated damages shall be without any limitation whatsoever and shall be in addition to damages, if any, payable under any other clause of Conditions of Contract.

## 15.0 GUARANTEE

- 15.1 The Contractor shall warrant that the equipment will be new, unused and in accordance with the Contract documents and free from defects in material and workmanship for a period of twelve (12) calendar months commencing immediately upon the satisfactory commissioning. The Contractor's liability shall be limited to the replacement of any defective parts in the equipment of his own manufacture or those of his Sub-Contractors under normal use and arising solely from faulty design, materials and/or workmanship provided always that such defective parts are repairable at the site and are not in meantime essential in the commercial use of the equipment. Such replaced/defective parts shall be returned to the Contractor unless otherwise arranged. No repairs or replacement shall normally be carried out by the Engineer when the equipment is under the supervision of the Contractor's supervisory Engineer.
- 15.2 In the event of any emergency where in the judgment of the Engineer, delay would cause serious loss or damages, repairs or adjustment may be made by the Engineer or a third party chosen by the Engineer without advance notice to the Contractor and the cost of such work shall be paid by the Contractor. In the event such action is taken by the Engineer, the Contractor will be notified promptly and he shall assist wherever possible in making necessary corrections. This shall not relieve the Contractor of his liabilities under the terms and conditions of the Contract.
- 15.3 If it becomes necessary for the Contractor to replace or renew any defective portions of the works the provision of this clause shall apply to portion of the works so replaced or renewed until the expiry of twelve (12) months from the date of such replacement or renewal. If any defects are not remedied within a reasonable time, the Engineer may proceed to do the work at the Contractor's risk and cost but without prejudice to any other rights, which the Employer may have against the Contractor in respect of such defects.
- 15.4 The repaired or new parts will be furnished and erected free of cost by the Contractor. If any repair is carried out on his behalf at the site, the Contractor shall bear the cost of such repairs.
- 15.5 The cost of any special or general overhaul rendered necessary during the maintenance period due to defects in the equipment or defective work carried out by the Contractor, the same shall be borne by the Contractor.
- 15.6 The acceptance of the equipment by the Engineer shall in no way relieve the Contractor of his obligations under this clause
- 15.7 In the case of those defective parts, which are not repairable at site but are essential for the commercial operation of the equipment, the Contractor and the Engineer shall mutually agree to a programme of replacement or renewal, which will minimize interruption to the maximum extent in the operation of the equipment.

- 15.8 At the end of the guarantee period, the Contractor's liability ceases except for latent defects. For latent defects, the Contractor's liability as mentioned in Clauses 15.1 through 15.7 above, shall remain till the end of 5 years from the date of completion of guarantee period.

In respect of goods supplied by Sub-Contractors to the Contractor, where a longer guarantee (more than 12 months) is provided by such Sub-Contractor, the Employer shall be entitled to the benefits of such longer guarantee.

- 15.9 The provisions contained in this clause will not be applicable:
- a) If the Employer has not used the equipment according to generally approved industrial practice and in accordance with the conditions of operations specified and in accordance with operating manuals, if any.
  - b) In cases of normal wear and tear of the parts to be specifically mentioned by the Contractor in the offer.

## **16.0 TAXES, PERMITS & LICENCES**

The Contractor shall be liable and pay all non-Indian taxes, duties, levies lawfully assessed against the Employer or the Contractor in pursuance of the Contract. In addition the Contractor shall be responsible for payment of all Indian duties, levies and taxes lawfully assessed against the Contractor for his personal income & property only. This clause shall be read in conjunction with Clause 15.0 of Section INB of this Volume I.

## **17.0 REPLACEMENT OF DEFECTIVE PARTS AND MATERIALS**

- 17.1 If during the performance of the Contract, the Engineer shall decide and inform in writing to the Contractor that the Contractor has manufactured any equipment, material or part of equipment unsound and imperfect or has furnished any equipment inferior to the quality specified, the Contractor on receiving details of such defects or deficiencies shall at his own expense within seven (7) days of his receiving the notice, or otherwise, within such time as may be reasonably necessary for making it good, proceed to alter, reconstruct or remove such works and furnish fresh equipment/materials upto the standards of the specifications. In case, the Contractor fails to do so, the Engineer may on giving the Contractor seven (7) days notice in writing of his intentions to do so, proceed to remove the portion of the works so complained of and at the cost of the Contractor perform all such Works or furnish all such equipment/ material provided that nothing in this clause shall be deemed to deprive the Employer of or affect any rights under the Contract which the Employer may otherwise have in respect of such defects and deficiencies.
- 17.2 The Contractor's full and extreme liability under this clause shall be satisfied by the payment to the Employer of extra cost, of such replacement procured including erection as provided for in the Contract, such extra cost being the ascertained difference between the price paid by the Employer for such replacements and the Contract Price by portion for such defective equipment/materials/works and repayments of any sum paid by the Employer



to the Contractor in respect of such defective equipment/material. Should the Employer not so replace the defective equipment/materials the Contractor's extreme liability under this clause shall be limited to repayment of all sums paid by the Employer under the Contract for such defective equipment/materials.

## **18.0 PATENT RIGHTS AND ROYALTIES**

Royalties and fees for patents covering materials, articles, apparatus, devices, equipment or processes used in the works shall be deemed to have been included in the Contract Price. The Contractor shall satisfy all demands that may be made at any time for such royalties or fees and he alone shall be liable for any damages or claims for patent infringements and shall keep the Employer indemnified in that regard. The Contractor shall, at his own cost and expense, defend all suits or proceedings that may be instituted for alleged infringement of any patents involved in the Works, and, in case of an award of damages, the Contractor shall pay for such award. In the event of any suit or other proceedings instituted against the Employer, the same shall be defended at the cost and expense of the Contractor who shall also satisfy/comply with any decree, order or award made against the Employer. But it shall be understood that no such machine, plant, work, material or thing has been used by the Employer for any purpose or any manner other than that for which they have been furnished and installed by the Contractor and specified under these specifications. Final payment to the Contractor by the Employer will not be made while any such suit or claim remains unsettled. In the event any apparatus or equipment, or any part thereof furnished by the Contractor, is in such suit or proceedings held to constitute infringement, and its use is enjoined, the Contractor shall at his option and at his own expense, either procure for the Employer, the right to continue the use of said apparatus, equipment or part thereof, replace it with non-infringing apparatus or equipment or modify it, so it becomes non-infringing.

## **19.0 DEFENCE OF SUITS**

If any action in court is brought against the Employer or Engineer or an officer or agent of the Employer, for the failure, omission or neglect on the part of the Contractor to perform any acts, matters, covenants or things under the Contract, or for damage or injury caused by the alleged omission or negligence on the part of the Contractor, his agents, representatives or his Sub-Contractors, or in connection with any claim based on lawful demands of Sub-Contractors, workmen, suppliers or employees, the Contractor shall in all such cases indemnify and keep the Employer, and the Engineer and/or his representative, harmless from all losses, damages, expenses or decrees arising of such action.

## **20.0 LIMITATION OF LIABILITIES**

The final payment by the Employer in pursuance of the Contract shall mean the release of the Contractor from all his liabilities under the Contract. Such final payment shall be made only at the end of the Guarantee/Warranty

period, and till such time as the Contractual liabilities and responsibilities of the Contractor, shall prevail. All other payments made under the Contract shall be treated as on-account payments.

## **21.0 ENGINEER'S DECISION**

- 21.1 In respect of all matters which are left to the decision of the Engineer including the granting or with-holding of the certificates, the Engineer shall, if required to do so by the Contractor, give in writing a decision thereon.
- 21.2 If, in the opinion of the Contractor, a decision made by the Engineer is not in accordance with the meaning and intent of the Contract, the Contractor may file with the Engineer, within fifteen (15) days after receipt of the decision, a written objection to the decision. Failure to file an objection within the allotted time will be considered as an acceptance of the Engineer's decision and the decision shall become final and binding.
- 21.3 The Engineer's decision and the filing of the written objection thereto shall be a condition precedent to the right to request arbitration. It is the intent of the Agreement that there shall be no delay in the execution of the works and the decision of the Engineer as rendered shall be promptly observed.

## **22.0 POWER TO VARY OR OMIT WORK**

- 22.1 No alterations, amendments, omissions, suspensions or variations of the Works (hereinafter referred to as 'variation') under the Contract as detailed in the Contract Documents, shall be made by the Contractor except as directed in writing by the Engineer, but the Engineer shall have full powers subject to the provisions hereinafter contained, from time to time during the execution of the Contract, by notice in writing to instruct the Contractor to make such variation without prejudice to the Contract. The Contractor shall carry out such variation and be bound by the same conditions as far as applicable as though the said variations occurred in the Contract Documents. If any suggested variations would, in the opinion of the Contractor, if carried out, prevent him from fulfilling any of his obligations or guarantees under the Contract, he shall notify the Engineer thereof in writing and the Engineer shall decide forthwith whether or not, the same shall be carried out and if the Engineer confirms his instructions, the Contractor's obligations and guarantees shall be modified to such an extent as may be mutually agreed. Any agreed difference in cost occasioned by any such variation shall be added to or deducted from the Contract Price as the case may be.
- 22.2 In the event of Engineer requiring any variation, a reasonable and proper notice shall be given to the Contractor to enable him to work his arrangement accordingly, and in cases where goods or materials are already prepared or any design, drawings or pattern made or work done requires to be altered, a reasonable and agreed sum in respect thereof shall be paid to the Contractor.
- 22.3 In any case in which the Contractor has received instructions from the Engineer as to the requirement of carrying out the alterations or additional or

substituted work which either then or later on, will in the opinion of the Contractor, involve a claim for additional payment, the Contractor shall immediately and in no case later than thirty (30) days, after receipt of the instructions aforesaid and before carrying out the instructions, advise the Engineer to that effect. But the Engineer shall not become liable for payment of any charges in respect of any such variations, unless the instructions for the performance of the same shall be confirmed in writing by the Engineer.

- 22.4 If any variation in the Works results in reduction of Contract Price, the parties shall agree, in writing, so to the extent of any change in the price, before the Contractor proceeds with the change.
- 22.5 In all the above cases, in the event of a disagreement as to the reasonableness of the said sum, the decision of the Engineer shall prevail.
- 22.6 Notwithstanding anything stated above in this clause, the Engineer shall have the full power to instruct the Contractor, in writing, during the execution of the Contract to vary the quantities of the items or groups of items in accordance with the provisions of clause entitled 'Change of Quantity' in section GCC of this Volume-I. The Contractor shall carry out such variations and be bound by the same conditions as though the said variations occurred in the Contract Documents. However, the Contract Price shall be adjusted at the rates and the prices provided for the original quantities in the Contract.

### **23.0 ASSIGNMENT AND SUB-LETTING OF CONTRACT**

- 23.1 The Contractor may, after informing the Engineer and getting his written approval, assign or sub-let the Contract or any part thereof other than for raw material, for minor details or for any part of the plant for which makes are identified in the Contract. Suppliers of the equipment not identified in the Contract or any change in the identified suppliers shall be subjected to approval by the Engineer. The experience list of equipment vendors under consideration by the Contractor for this Contract shall be furnished to the Engineer for approval prior to procurement of all such items/equipment. Such assignment/sub-letting shall not relieve the Contractor of any obligation, duty or responsibility under the Contract. Any assignment as above, without prior written approval of Engineer, shall be void.
- 23.2 For components/equipment procured by the Contractor for the purposes of the Contract, after obtaining the written approval of the Employer, the Contractor's purchase specifications and enquiries shall call for quality plan to be submitted by the suppliers along with their Proposals. The quality plans called for from the Vendors shall set out, during the various stages of manufacture and installation, the quality practices and procedures followed by the Vendors' quality control organization, the relevant reference document/standard used, acceptance level, inspection documentation raised, etc. Such quality plans of the successful vendors shall be discussed and finalized in consultation with the Engineer and shall form a part of the Purchase Order/Contract between the Contractor and the Vendor. Within three weeks of the release of the Purchase Orders/Contracts for such bought

out items/components a copy of the same without price details but together with detailed purchase specifications, quality plans and delivery conditions shall be furnished to the Engineer by the Contractor.

## **24.0 CHANGE OF QUANTITY**

- 24.1 During the execution of the Contract, the Employer reserves the right to increase or decrease the quantities of items under the Contract but without any change in unit price or other terms & conditions. Such variations unless otherwise specified in the accompanying Special Conditions of Contract and/or Technical Specifications, shall be subject to the specific provision for the individual items but the total variations in all such items under the Contract shall be limited to a percentage of the Contract price as specified in the Special Conditions of Contract.
- 24.2 The Contract price shall accordingly be adjusted based on the unit rates available in the Contract for the change in quantities as above. The base unit rates, as identified in the Contract shall however remain constant during the currency of the Contract, except as provided for in Clause 33.0 below. In case the unit rates are not available for the change in quantity, the same shall be subjected to mutual agreement.

## **25.0 PACKING, FORWARDING AND SHIPMENT**

- 25.1 The Contractor, wherever applicable, shall after proper painting, pack and crate all equipment in such a manner as to protect them from deterioration and damage during rail and road transportation to the Site and storage at the Site till the time of erection. The Contractor shall be held responsible for all damages due to improper packing.
- 25.2 The Contractor shall notify the Employer of the date of each shipment from his works, and the expected date of arrival at the Site for the information of the Employer.
- 25.3 The Contractor shall also give all shipping information concerning the weight, size and content of each packing including any other information the Employer may require.
- 25.4 The following documents shall be sent by registered post to the Employer within three days from the date of shipment, to enable the Employer to make progressive payments to the Contractor:-

Application for payment in the standard format of the Employer (3 copies)  
 Invoice (6 copies)  
 Packing list (6 copies)  
 Pre-dispatch clearance certificate, if any (3 copies)  
 Test Certificate, wherever applicable (3 copies)  
 Insurance Certificate (3 copies)

- 25.5 The Contractor shall prepare detailed packing list of all packages and containers, bundles and loose materials forming each and every consignment dispatched to Site.

The Contractor shall further be responsible for making all necessary arrangements for loading, unloading and other handling right from his works up to the Site and also till the equipment is erected, tested and commissioned. He shall be solely responsible for proper storage and safe custody of all equipment.

## **26.0 COOPERATION WITH OTHER CONTRACTORS AND CONSULTING ENGINEERS**

The Contractor shall agree to cooperate with the Employer's other Contractors and Consulting Engineers and freely exchange with them such technical information as is necessary to obtain the most efficient and economical design and to avoid unnecessary duplication of efforts. The Engineer shall be provided with three copies of all correspondence addressed by the Contractor to other Contractors and Consulting Engineers of the Employer in respect of such exchange of technical information.

## **27.0 NO WAIVER OF RIGHTS**

Neither the inspection by the Employer or the Engineer or any of their officials, employees, or agents nor any order by the Employer or the Engineer for payment of money or any payment for or acceptance of, the whole or any part of the Works by the Employer or the Engineer, nor any extension of time, nor any possession taken by the Engineer shall operate as a waiver of any provision of the Contract, or of any power herein reserved to the Employer or any right to damages herein provided nor shall any waiver of any breach in the Contract be held to be a waiver of any other or subsequent breach.

## **28.0 CERTIFICATE NOT TO AFFECT RIGHT OF EMPLOYER AND LIABILITY OF THE CONTRACTOR.**

No interim payment certificate of the Engineer, nor any sum paid on account by the Employer, nor any extension of time for execution of the Works granted by the Engineer shall affect or prejudice the rights of the Employer against the Contractor or relieve the Contractor of his obligation for the due performance of the Contract, or be interpreted as approval of the Works done or of the equipment furnished and no certificate shall create liability for the Employer to pay for alterations, amendments, variations or additional works not ordered, in writing, by the Engineer or discharge the liability of the Contractor for the payment of damages whether due, ascertained, or certified or not or any sum against the payment of which he is bound to indemnify the Employer, nor shall any such certificate nor the acceptance by him of any sum paid on account or otherwise affect or prejudice the rights of the Employer against the Contractor.

## **29.0 TRAINING OF EMPLOYER’S PERSONNEL**

- 29.1 The Contractor shall undertake to train free of cost, Engineering personnel selected and sent by the Employer at the works of the Contractor unless otherwise specified in the Technical Specifications. The period and the nature of training for the individual personnel shall be agreed upon mutually between the Contractor and the Employer. These Engineering personnel shall be given special training in the shops, where the equipment will be manufactured and/or in their Collaborator’s works and where possible, in any other plant where equipment manufactured by the Contractor or his collaborator is under installation, operation, or testing to enable those personnel to become familiar with the equipment being furnished by the Contractor. The details of the number of persons to be trained, period of training, nature of training etc. shall be as outlined in accompanying Technical Specifications/Special Conditions of Contract.
- 29.2 All traveling and living expenses for the Engineering personnel to be trained during the total period of training will be borne by the Employer. These Engineering personnel, while undergoing training, shall be responsible to the Contractor for discipline.
- 29.3 The Employer shall not be entitled for any rebate, whatsoever, on any account in the event of his failing to avail of the training facilities, for any reason.

## **30.0 PROGRESS REPORTS AND PHOTOGRAPHS**

During the various stages of the work in pursuance of the Contract, the Contractor shall at his own cost submit periodic progress reports as may be reasonably required by the Engineer with such materials as, charts, networks, photographs, test certificates, etc. Such progress reports shall be in the form and size as may be required by the Engineer and shall be submitted in at least three (3) copies.

## **31.0 TAKING OVER**

Upon successful completion of all the tests to be performed at Site on equipment furnished and erected by the Contractor, the Engineer shall issue to the Contractor a Taking Over Certificate as a proof of the final acceptance of the equipment. Such certificate shall not unreasonably be withheld nor will the Engineer delay the issuance thereof on account of minor omissions or defects, which do not affect the commercial operation and/or cause any serious risk to the equipment. Such certificate shall not relieve the Contractor of any of his obligations which otherwise survive, by the terms and conditions of the Contract after issue of such certificate.

## **C. CONTRACT SECURITY AND PAYMENTS**

### **32.0 CONTRACT PERFORMANCE GUARANTEE**

The Contractor shall furnish Contract Performance Guarantee(s) for the proper fulfilment of the Contract in the prescribed form within thirty (30) days of “Notice of Award of Contract”. The performance guarantee(s) shall be as per terms prescribed in Section INB, Conditions of Contract Vol. I and/or Special Conditions of Contract.

### **33.0 CONTRACT PRICE ADJUSTMENT**

33.1 The provisions detailed herein shall be read interpreted in conjunction with provisions of Clause 15.0, Section INB and relevant provisions in accompanying ‘Special Conditions of Contract’ and ‘Bid Proposal Sheets’.

33.2 All adjustment in the Contract price shall be computed in accordance with the conditions and formulae detailed hereunder:

33.3 Only the following components of the Bid Price will be subject to price adjustment:

a) Ex-factory price component of the equipment, less advance subject to ceiling of twenty (20%) percent (excluding equipment and consumable material required for erection) unless otherwise specified in the accompanying Special Conditions of Contract. However, the actual payment of escalation, at any stage, shall not exceed 20% of cumulative ex-works price of equipment/material already supplied. Any escalation accrued at any stage exceeding the aforesaid actual payment shall be kept to the credit of the Contractor and shall be released as and when the actual payment of escalation falls below 20% of cumulative ex-works price of equipment/materials already supplied. Any unadjusted credit shall, however, elapse when the actual cumulative payment reach the ceiling amount as specified above.

b) Erection component, less advance.

33.4 The price adjustment formulae for the components of the Bid Price, as mentioned in clause 33.3 above shall be as stipulated hereinafter.

#### **33.4.1 Ex-Factory Price Component of the Equipment**

i. For the equipment component of the Contract/bid price, price adjustment provision will be applicable only on the ex-factory prices, less advance for the equipment/materials.

ii. The price adjustment shall be worked out on the components of the ex-factory bid price, less advance in Indian Rupees only as quoted by the Contractor and price adjustment amount so computed shall also be payable in Indian Rupees only.

- iii. It is understood that the bid price for any shipment comprises of a fixed portion (designated as 'F' and the value of which is specified hereunder) and variable portion linked with the indices for various materials and labour (description and co-efficient as specified in accompanying Special Conditions of Contract.)

The amount of price adjustment towards variable portion payable on each shipment shall be computed as under:

$$dEC = ECo \left\{ a \frac{(A1-A0)}{A0} + b \frac{(B1-B0)}{B0} + c \frac{(C1 - C0)}{C0} + \dots + l \frac{(L1-L0)}{L0} \right\}$$

Where

dEC = Price adjustment amount payable to Contractor, for each shipment.

(If it works out negative, would mean the amount to be recovered by the Employer from the Contractor).

ECo = Ex-Factory price of the equipment/materials shipment wise, less advance.

A,B,C, etc. = Corresponding published price indices of various materials.

L = Labour Index.

F = Fixed portion of the ex-factory bid price and shall be 15% (i.e. 0.15).

a,b,c, etc. = Co-efficient (expressed as components of bid price) of major materials involved in the ex-factory price of the equipment/materials.

l = Co-efficient of labour component in the ex-factory price of the equipment /materials.

Subscript '0' refers to indices as on 30 days prior to date set for opening of bids.

Subscript '1' refers to indices as of:

1. Three months prior to the date of shipment for labour; and
2. At the expiry of two third (2/3) period from the date of base index to the date of shipment for material.



For the purpose of Price Adjustment, the date of shipment for Goods shall mean schedule date of shipment or actual date of shipment, whichever is earlier. Schedule date of shipment will be ex-works date of dispatch, governed by the accepted PERT Network/Bar Chart.

No price increase shall be allowed beyond the original delivery dates unless specifically stated in the Time Extension letter, if any, issued by the Employer. The Employer will, however, be entitled to any decrease in the Contract Price which may be caused due to lower price adjustment amount in case of delivery of Goods beyond the original delivery dates. Therefore, in case of delivery of Goods beyond the original delivery dates, the liability of the Employer shall be limited to the lower of the price adjustment amount which may work out either on schedule date or actual date of dispatch of Goods.

The values of a,b,c,d,e.....l will be such that  $F+a+b+c+d+e+...+l=1$ .

### 33.4.2 Erection Component :

The monthly erection price adjustment amount will be computed for the erection bid price, less advance as per the formula given below:

$$dER = 0.75 ER_o \times \frac{(F_1 - F_0)}{F_0}$$

Where

dER = Price adjustment payable to the Contractor (if it works out as negative, the amount is to be recovered by the Employer from the Contractor), for each billing.

ER<sub>o</sub> = Value of erection work done in the billing period as established by the Contract, less advance.

F = Indian Field Labour Index –namely All India Consumer Price Index for Industrial Workers (All India Average) as published by Labour Bureau, Simla of the Government of India.

Subscript '0' will correspond to 30 days prior to date set for opening of bids.

Subscript '1' will correspond to the billing period. For the purpose of Price Adjustment, the Billing period shall mean the Billing Period as per Contract time schedule i.e. the agreed Bar Chart or actual period, whichever is earlier. The Billing period, for various erection activities will be as per agreed erection Bar Chart indicating monthly schedule of erection activities for completion of works.

No Price increase shall be allowed beyond the original erection dates unless specifically stated in the Time Extension letter, if any, issued by the Employer. The Employer will, however, be entitled to any decrease in the Contract Price which may be caused due to lower price adjustment amount in case of delays

beyond the original erection dates. Therefore, in case of delays beyond the original erection dates, the liability of the Employer shall be limited to the lower of the price adjustment amount which may work out either on schedule date or actual date of erection.

The price variations calculated by the above formula shall not be subject to any ceiling unless otherwise specially mentioned in Special Conditions of Contract.

### 33.5 Adjusted Contract Price

The adjusted Contract price shall be

$E_{Co} + dEC + E_{Ro} + dER$

plus other element of Contract price, if any.

33.6 Every three months after the award of Contract and a month prior to shipment of equipment (in the case of ex-factory price component of Contract Price), and every month after establishing his Site office (in case of erection) the Contractor shall submit to the Engineer written notice of the changes, if any, that have occurred in the specified material and labour indices during the previous reporting period containing the effective date of such change, the amount of change, the amount of Contract price adjustment and documentary evidence to substantiate the price adjustment.

33.7 No price adjustment shall be applicable on the portion of the Contract price paid to the Contractor as advance payment.

33.8 The Contractor shall promptly submit price adjustment invoices on monthly basis, whether such adjustment is positive or negative.

### 34.0 PAYMENT

34.1 The payment to the Contractor for the performance of the works under the Contract will be made by the Employer as per the guidelines and conditions specified herein. All payments made during the Contract shall be on account payments only. The final payment will be made on completion of all Works and on fulfilment by the Contractor of all his liabilities under the Contract.

### 34.2 Currency of Payment

All payments under the Contract shall be in Indian Rupees only.

### 34.3 Due Dates for Payments

The initial advance amount shall be payable after fulfilment of all the conditions laid down in the Special Conditions of Contract, Clause 34.7.1 below and receipt of the Contractor's invoice along with all necessary supporting documents for such advance payment. The price component of the

initial advance amount will become due for payment within thirty (30) days of receipt of the Contractor's invoice. The Employer will make progressive payment as and when the payment is due as per the terms of payment set forth in the accompanying Special Conditions of Contract. Progressive payments other than those under the letter of credit will become due and payable by the Employer within thirty (30) days of the date of receipt of Contractor's bill/invoice /debit note by the Employer provided the documents submitted are complete in all respects.

#### 34.4 **Payment Schedule**

The Contractor shall prepare and submit to the Engineer for approval, a break up of the Contract Price. This Contract Price break-up shall be interlinked with the agreed detailed PERT network of the Contractor setting forth his starting and completion dates for the various key phases of Works prepared as per conditions in Clause 12.0 of this Section GCC of Volume I. Any payment under the Contract shall be made only after the Contractor's price break up is approved by the Engineer. The aggregate sum of the Contractor's price break up shall be equal to the lump sum Contract Price. A price break-up over valuing those items of supply, which will be shipped first will not be accepted.

#### 34.5 **Application for Payment**

34.5.1 The Contractor shall submit application for the payment in the prescribed proforma of the Employer. Proforma for application for payment is enclosed as **Annexure-V** of Volume-I.

34.5.2 Each such application shall state the amount claimed and shall set forth in detail, in the order of the Payment Schedule, particulars of the Works including the Works executed at Site and of the equipment shipped/brought on to the site pursuant to the Contract upto the date mentioned in the application and for the period covered since the last preceding certificate, if any.

34.5.3 Every interim payment certificate shall certify the Contract value of the Works executed upto the date mentioned in the application for the payment certificate, provided that no sum shall be included in any interim payment certificate in respect of the works that, according to the decision of the Engineer, does not comply with the Contract or has been performed, at the date of certificate prematurely.

#### 34.6 **Mode of Payment**

34.6.1 Payment due on dispatch of equipment shall be made by the Employer through the Employer's Bank or directly to the Contractor as per the payment schedule.

34.6.2 The payment of the advance, test charges, if any, price adjustment, any other supply payment, taxes and duties (whenever admissible) inland transportation

(including port handling), insurance and the erection portion of the Works shall be made direct to the Contractor by the Employer.

### 34.7 Terms Of Payment

The terms of payments for various activities under the Contract are as under.

#### 34.7.1 Ex-works Price and Erection

The terms of payments for Ex-works price-components of the equipment and erection are detailed in Special Conditions of Contract, for each equipment package. A certain percentage of the equipment and erection costs of each package shall be paid as initial advance on fulfilment of the following by the Contractor.

- i) For Ex-works price component of Equipment
  - a. Acknowledgement of Letter of Award.
  - b. Submission of an unconditional Bank Guarantee from (a) a Public Sector Bank or (b) a scheduled Indian Bank having paid up capital (net of any accumulated losses) of Rs.100 crore or above (the latest annual report of the Bank should support compliance of capital adequacy ratio requirement) or (c) any foreign Bank or subsidiary of a foreign Bank with overall international corporate rating or rating of long term debt not less than A-(A minus) or equivalent by reputed rating agency, covering the advance amount which shall be initially kept valid till 90 days after the schedule date for successful completion of Commissioning. The proforma of Bank Guarantee for advance is enclosed as **Annexure-VI** of Volume-I. The value of the Bank guarantee for advance shall be allowed to be reduced every six months after the first running account bill/stage payment under the Contract if the validity of the Bank guarantee is more than one year. The cumulative amount of reduction at any point of time shall not exceed 75% of the advance corresponding the cumulative value of supplies (work completed as per a certificate to be issued by the Engineer- in-Charge. It should be clearly understood that the reduction in the value of the advance Bank guarantee or other security as above shall not in any way dilute the Contractor's responsibilities & liabilities under the Contract including in respect of supplies/work for which the reduction in the value of the Bank guarantee is allowed.
  - c. Submission of an unconditional Bank Guarantee towards Contract Performance Guarantee valid upto ninety (90) days after the end of the warranty period, in accordance with clause 41.0 of Section INB of this Volume-I.

- d. Submission of a detailed PERT network/bar chart based on the work schedule stipulated in the Letter of Award and its approval by the Employer.
- ii. For Erection Component
  - a. On establishing his office at site preparatory to mobilization of his erection establishment, and
  - b. Submission of an unconditional Bank Guarantee from (a) a Public Sector Bank or (b) a scheduled Indian Bank having paid up capital (net of any accumulated losses) of Rs.100 crore or above (the latest annual report of the Bank should support compliance of capital adequacy ratio requirement) or (c) any foreign Bank or subsidiary of a foreign Bank with overall international corporate rating or rating of long term debt not less than A – (A minus) or equivalent by reputed rating agency for an equivalent amount, which shall be initially kept valid till expiry of 3 months after the schedule date for successful completion of commissioning. The proforma of Bank Guarantee for advance is enclosed as **Annexure-VI** to this Volume-I.

34.7.2 All further payments under the Contract shall be made as stipulated in the Special Conditions of Contract after signing the Contract Agreement. The payments linked with the dispatch of materials shall only be made after production of all dispatch documents as specified in L/C conditions and/or in the relevant Contract conditions which will inter-alia include the Material Inspection Clearance Certificate (MICC) issued by the Employer's Corporate QA&I representatives.

Progressive payments linked with erection shall only be made after the issue of certificates by the Engineer, one for the quantum of work completed and the other by the Engineer's Field Quality surveillance representative for the successful completion of quality check points involved in the quantum of work billed.

### 34.7.3 Inland Transportation & Insurance

Inland transportation (including port handling) and inland insurance charges shall be paid to the Contractor on pro-rata to the value of the equipment received at site and on production of the invoices by the Contractor. However, wherever equipment wise inland transportation charges have been called for in the 'Bid Proposal Sheets' and have been furnished by the Contractor, the payment of inland transportation charges shall be made after receipt of equipment at site based on the charges thus identified by the Contractor in his Proposal and incorporated in the Contract. The aggregate of all such pro-rata payments shall however not exceed the total amount quoted by the Bidder in his bid and incorporated in the Contract.

#### **34.7.4 Price adjustment/Contract Variation**

Any increase in Contract price due to price adjustment provision as per Clause 33.0 of this Section, shall be payable in the similar manner as provided in clause 34.7.2 above except that price adjustment amount corresponding to advance payment, if any, stipulated shall be clubbed with the first progressive payment of that equipment. Any reduction in Contract price as per price adjustment provision given in Clause 33.0 of this Section shall be effected by recovering 100% of the reduction amount (including the advance) from any of the Contractor's bills falling immediately due for payment.

The terms of payments for Contract variations in terms of Clause 22.0 and Sub-clause 24.1 (if any) of this Section shall be the same as given above for price adjustment.

### **35.0 DEDUCTIONS FROM CONTRACT PRICE**

All costs, damages or expenses which the Employer may have paid, for which under the Contract the Contractor is liable, will be claimed by the Employer. All such claims shall be billed by the Employer to the Contractor regularly as and when they fall due. Such bills shall be supported by appropriate and certified vouchers or explanations, to enable the Contractor to properly identify such claims. Such claims shall be paid by the Contractor within thirty (30) days of the receipt of the corresponding bills and if not paid by the Contractor within the said period, the Employer may then deduct the amount, from any moneys due or becoming due by him to the Contractor under the Contract or may be recovered by sections of Law or otherwise.

## **D. RISK DISTRIBUTION**

### **36.0 TRANSFER OF TITLE**

- 36.1 Transfer of title in respect of equipment and materials supplied by the Contractor to the Employer pursuant to the terms of the Contract shall pass on to the Employer with negotiation of dispatch documents.
- 36.2 This Transfer of Title shall not be construed to mean the acceptance and the consequent "Taking Over" of equipment and materials. The Contractor shall continue to be responsible for the quality and performance of such equipment and materials and for their compliance with the specifications until "Taking Over" and the fulfilment of guarantee provisions of this Contract.
- 36.3 This Transfer of Title shall not relieve the Contractor from the responsibility for all risks of loss or damage to the equipment and materials as specified under the clause entitled "Insurance" of this Section.

## 37.0 INSURANCE

- 37.1 The Contractor at his cost shall arrange, secure and maintain all insurance as may be pertinent to the Works and obligatory in terms of law to protect his interest and interests of the Employer against all perils detailed herein. The form and the limit of such insurance as defined herein together with the under-writer in each case shall be acceptable to the Employer. However, irrespective of such acceptance, the responsibility to maintain adequate insurance coverage at all time during the period of Contract shall be of Contractor alone. The Contractor's failure in this regard shall not relieve him of any of his contractual responsibilities and obligations. The insurance covers to be taken by the Contractor shall be in the joint name of the Employer and the Contractor. The Contractor shall, however, be authorized to deal directly with Insurance Company or Companies and shall be responsible in regard to maintenance of all insurance covers. Further the insurance should be in freely convertible currency.
- 37.2 Any loss or damage to the equipment during handling, transportation, storage, erection, putting into satisfactory operation and all activities to be performed till the successful completion of commissioning of the equipment shall be to the account of the Contractor. The Contractor shall be responsible for preference of all claims and make good the damages or loss by way of repairs and/or replacement of the equipment, damaged or lost. The transfer of title shall not in any way relieve the Contractor of the above responsibilities during the period of Contract. The Contractor shall provide the Employer with copy of all insurance policies and documents taken out by him in pursuance of the Contract. Such copies of documents shall be submitted to the Employer immediately after such insurance coverage. The Contractor shall also inform the Employer in writing at least sixty (60) days in advance regarding the expiry/cancellation and/or change in any of such documents and ensure revalidation, renewal etc., as may be necessary well in time.
- 37.3 The perils required to be covered under the insurance shall include, but not be limited to fire and allied risks, miscellaneous accidents (erection risks) workman compensation risks, loss or damage in transit, theft, pilferage, riot and strikes and malicious damages, civil commotion, weather conditions, accidents of all kinds, etc. The scope of such insurance shall be adequate to cover the replacement/reinstatement cost of the equipment for all risks upto and including delivery of goods and other costs till the equipment is delivered at Site. The insurance policies to be taken should be on replacement value basis and/or incorporating escalation clause. Notwithstanding the extent of insurance cover and the amount of claim available from the underwriters, the Contractor shall be liable to make good the full replacement/rectification value of all equipment/materials and to ensure their availability as per project requirements.
- 37.4 All costs on account of insurance liabilities covered under the Contract will be on Contractor's account and will be included in Contract Price, However, the Employer may from time to time, during the pendency of the Contract, ask the Contractor in writing to limit the insurance coverage, risks and in such a case,

the parties to the Contract will agree for a mutual settlement, for reduction in Contract price to the extent of reduced premium amount. The Contractor, while arranging the insurance shall ensure to obtain all discounts on premium, which may be available for higher volume or for reason of financing arrangement of the project.

- 37.5 The clause entitled 'Insurance' under the section ECC of this Volume-I, covers the additional insurance requirements for the portion of the works to be performed at the Site.

### **38.0 LIABILITY FOR ACCIDENTS AND DAMAGES**

Under the Contract, the Contractor shall be responsible for loss or damage to the plant until the successful completion of commissioning as defined else where in the Bid document.

### **39.0 DELAYS BY EMPLOYER OR HIS AUTHORISED AGENTS**

- 39.1 In case the Contractor's performance is delayed due to any act of omission on the part of the Employer or his authorized agents, then the Contractor shall be given due extension of time for the completion of the Works, to the extent such omission on the part of the Employer has caused delay in the Contractor's performance of the Contract.

Regarding reasonableness or otherwise of the extension of time, the decision of the Engineer shall be final.

- 39.2 In addition, the Contractor shall be entitled to claim demonstrable and reasonable compensation if such delays have resulted in any increase in cost. The Employer shall examine the justification for such a request for claim and if satisfied, the extent of compensation shall be mutually agreed depending upon the circumstances at the time of such an occurrence.

### **40.0 DEMURRAGE, WHARFAGE, ETC.**

All demurrage, wharfage and other expenses incurred due to delayed clearance of the material or any other reason shall be to the account of the Contractor.

### **41.0 FORCE MAJEURE**

- 41.1 Force majeure is herein defined as any cause which is beyond the control of the Contractor or the Employer as the case may be, which they could not foresee or with a reasonable amount of diligence could not have foreseen and which substantially affects the performance of the Contract, such as:

- a. Natural phenomena, including but not limited to floods, droughts, earthquakes and epidemics;



- b. Acts of any Government, domestic or foreign, including but not limited to war, declared or undeclared, priorities, guarantees, embargoes.

Provided either party shall within fifteen (15) days from the occurrence of such a cause notify the other in writing of such causes.

- 41.2 The Contractor or the Employer shall not be liable for delays in performing his obligations resulting from any force majeure cause as referred to and/or defined above

The date of completion will, subject to hereinafter provided, be extended by a reasonable time even though such cause may occur after Contractor's performance of obligation has been delayed due to other causes.

## **42.0 SUSPENSION OF WORK**

- 42.1 The Employer reserves the right to suspend and reinstate execution of the whole or any part of the Works without invalidating the provisions of the Contract. Orders for suspension or reinstatement of the Works will be issued by the Engineer to the Contractor in writing. The time for completion of the works will be extended for a period equal to duration of the suspension.

- 42.2 Any necessary and demonstrable cost incurred by the Contractor as a result of such suspension of the works will be paid by the Employer, provided such costs are substantiated to the satisfaction of the Engineer. The Employer shall not be responsible for any liabilities if suspension or delay is due to some default on the part of the Contractor or his Sub-Contractor.

## **43.0 CONTRACTOR`S DEFAULT**

- 43.1 If the Contractor shall neglect to execute the works with due diligence and expedition or shall refuse or neglect to comply with any reasonable order given to him, in writing by the Engineer in connection with the works or shall contravene the provisions of the Contract, the Employer may give notice in writing to the Contractor to make good the failure, neglect or contravention complained of. Should the Contractor fail to comply with the notice within thirty (30) days from the date of serving the notice, then and in such case the Employer shall be at liberty to employ other workmen and forthwith execute such part of the works as the Contractor may have neglected to do or if the Employer shall think fit, without prejudice to any other right he may have under the Contract to take the work wholly or in part out of the Contractor's hands and re-contract with any other person or persons to complete the works or any part thereof and in that event the Employer shall have free use of all Contractor's equipment that may have been at the time on the Site in connection with the works without being responsible to the Contractor for fair wear and tear thereof and to the exclusion of any right of the Contractor over the same, and the Employer shall be entitled to retain and apply any balance which may otherwise be due on the Contract by him to the Contractor, or such

part thereof as may be necessary, to the payment of the cost of executing the said part of the Works or of completing the Works as the case may be. If the cost of completing of works or executing part thereof as aforesaid shall exceed the balance due to the Contractor shall pay such excess. Such payment of excess amount shall be independent of the liquidated damages for delay, which the Contractor shall have to pay if the completion of works is delayed.

43.2 In addition, such action by the Employer as aforesaid shall not relieve the Contractor of his liability to pay liquidated damages for delay in completion of Works as defined in Clause 14.0 of this Section.

43.3 Such action by the Employer as aforesaid the termination of the Contract under this clause shall not entitle the Contractor to reduce the value of the Contract Performance Guarantee nor the time thereof. The Contract Performance Guarantee shall be valid for the full value and for the full period of the Contract including guarantee period.

#### **44.0 TERMINATION OF CONTRACT ON EMPLOYER`S INITIATIVE**

44.1 The Employer reserves the right to terminate the Contract either in part or in full due to reasons other than those mentioned under clause entitled ‘Contractor’s Default’. The Employer shall in such an event give fifteen (15) days notice in writing to the Contractor of his decision to do so.

44.2 The Contractor upon receipt of such notice shall discontinue the work on the date and to the extent specified in the notice, make all reasonable efforts to obtain cancellation of all orders and Contracts to the extent they are related to the work terminated and terms satisfactory to the Employer, stop all further sub-contracting or purchasing activity related to the work terminated, and assist Employer in maintenance, protection, and disposition of the works acquired under the Contract by the Employer.

In the event of such a termination the Contractor shall be paid compensation, equitable and reasonable, dictated by the circumstances prevalent at the time of termination.

44.3 If the Contractor is an individual or a proprietary concern and the individual or the proprietor dies and if the Contractor is a partnership concern and one of the partners dies then unless the Employer is satisfied that the legal representatives of the individual Contractor or of the proprietor of the propriety concern and in the case of partnership, the surviving partners, are capable of carrying out and completing the Contract the Employer shall be entitled to cancel the Contract as to its incomplete part without being in any way liable to payment of any compensation to the estate of deceased Contractor and/or to the surviving partners of the Contractor’s firm on account of the cancellation of the Contract. The decision of the Employer that the legal representatives of the deceased Contractor or surviving partners of the Contractor’s firm cannot carry out and complete the Contract shall be final and binding on the parties. In the event of such cancellation the Employer shall not hold the estate of the deceased Contractor and/or the surviving partners of

the estate of the deceased Contractor and/or the surviving partners of the Contractor's firm liable to damages for not completing the Contract.

#### **45.0 FRUSTRATION OF CONTRACT**

45.1 In the event of frustration of the Contract because of supervening impossibility in terms of Section 56 of the Indian Contract Act, parties shall be absolved of their responsibility to perform the balance portion of the Contract, subject to provisions contained in sub-clause 45.3 below.

45.2 In the event of non-availability or suspension of funds for any reasons, whatsoever (except for reason of wilful or flagrant breach by the Employer) and/or Contractor then the works under the Contract shall be suspended.

Furthermore, if the Employer is unable to make satisfactory alternative arrangements for financing to the Contractor in accordance with the terms of the Contract within three months of the event, the parties hereto shall be relieved from carrying out further obligations under the Contract treating it as frustration of the Contract.

45.3 In the event referred to in sub-clauses 45.1 & 45.2 above the parties shall mutually discuss to arrive at reasonable settlement on all issues including amounts due to either party for the work already done on "Quantum merit" basis, which shall be determined by mutual agreement between the parties.

#### **46.0 GRAFTS AND COMMISSIONS ETC.**

Any graft, commission, gift or advantage given, promised or offered by or on behalf of the Contractor or his partner(s), agent(s), officer(s), director(s), employee(s) or servant(s) or any one on his or their behalf in relation to the obtaining or to the execution of this or any other Contract with the Employer, shall in addition to any criminal liability which it may incur, subject the Contractor to the cancellation of this and all other Contracts and also to payment of any loss or damage to the Employer resulting from any cancellation. The Employer shall then be entitled to deduct the amount so payable from any monies otherwise due to Contractor under the Contract.

### **E. RESOLUTION OF DISPUTES**

#### **47.0 SETTLEMENT OF DISPUTES**

47.1 Any dispute(s) or difference(s) arising out of or in connection with the Contract shall, to the extent possible, be settled amicably between the parties.

47.2 If any dispute or difference of any kind, whatsoever, shall arise between the Employer and the Contractor, arising out of the Contract for the performance of the Works whether during the progress of the Works or after its completion or whether before or after the termination, abandonment or breach of the

Contract, it shall, in the first place, be referred to and settled by the Engineer, who, within a period of thirty (30) days after being requested by either party to do so, shall give written notice of his decision to the Employer and the Contractor.

- 47.3 Save as hereinafter provided, such decision in respect of every matters so referred shall be final and binding upon the parties until the completion of the Works and shall forthwith be given effect to by the Contractor who shall proceed with the Works with all due diligence, whether he or the Employer requires arbitration as hereinafter provided or not.
- 47.4 If after the Engineer has given written notice of his decision to the parties, no claim to arbitration has been communicated to him by either party within thirty (30) days from the receipt of such notice, the said decision shall become final and binding on the parties.
- 47.5 In the event of the Engineer failing to notify his decision as aforesaid within thirty (30) days after being requested as aforesaid, or in the event of either the Employer or the Contractor being dissatisfied with any such decision, or within thirty (30) days after the expiry of the first mentioned period of thirty days, as the case may be, either party may require that the matters in dispute be referred to arbitration as hereinafter provided.

#### **48.0 ARBITRATION**

- 48.1 All disputes or differences in respect of which the decision, if any, of the Engineer has not become final or binding as aforesaid shall be settled by arbitration in the manner hereinafter provided.
- 48.1.1 The arbitration shall be conducted by three arbitrators, one each to be nominated by the Contractor and the Employer and the third to be appointed as an umpire by both the arbitrators in accordance with the Indian Arbitration Act. If either of the parties fails to appoint its arbitrator within sixty (60) days after receipt of a notice from the other party invoking the Arbitration clause, the arbitrator appointed by the party invoking the arbitration clause shall become the sole arbitrator to conduct the arbitration.
- 48.1.2 The arbitration shall be conducted in accordance with the provisions of the Indian Arbitration Act, 1940 or any statutory modification thereof. The venue of arbitration shall be New Delhi.
- 48.2 The decision of the majority of the arbitrators shall be final and binding upon the parties. The arbitrators may, from time to time with the consent of all the parties enlarge the time for making the award. In the event of any of the aforesaid arbitrators dying, neglecting, resigning or being unable to act for any reason, it will be lawful for the party concerned to nominate another arbitrator in place of the outgoing arbitrator.
- 48.3 The arbitrator shall have full powers to review and/or revise any decision, opinion, direction, certification or valuation of the Engineer in accordance with

the Contract, and neither party shall be limited in the proceedings before such arbitrators to the evidence or arguments put before the Engineer for the purpose of obtaining the said decision.

- 48.4 No decision given by the Engineer in accordance with the foregoing provisions shall disqualify him as being called as a witness or giving evidence before the arbitrators on any matter whatsoever relevant to the dispute or difference referred to the arbitrators as aforesaid.
- 48.5 During settlement of disputes and arbitration proceedings, both parties shall be obliged to carry out their respective obligations under the Contract.

#### **49.0 RECONCILIATION OF ACCOUNTS**

The Contractor shall prepare and submit every six months, a statement covering payments claimed and the payments received vis-à-vis the works executed, for reconciliation of accounts with the Employer. The Contractor shall also prepare and submit a detailed account of Employer Issue materials received and utilized by him for reconciliation purpose in a format to be discussed & finalized with the Employer before the award of Contract.

**END OF SECTION - GCC**

**SECTION – ECC**  
**ERECTION CONDITIONS OF CONTRACT**

# ERECTION CONDITIONS OF CONTRACT

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## **SECTION - ECC ERECTION CONDITIONS OF CONTRACT**

### **1.0 GENERAL**

- 1.1 The following shall supplement the conditions already contained in other parts of these specifications and document and shall govern the portion of the work of this Contract to be performed at Site.
- 1.2 The Contractor upon signing of the Contract shall, in addition to a Project Coordinator, nominate another responsible officer as his representative at Site suitably designated for the purpose of overall responsibility and coordination of the works to be performed at Site. Such person shall function from the Site office of the Contractor during the pendency of Contract.

### **2.0 REGULATION OF LOCAL AUTHORITIES AND STATUTES**

- 2.1 The Contractor shall comply with all the rules and regulations of local authorities during the performance of his field activities. He shall also comply with the Minimum Wages Act, 1948 and the Payment of Wages Act (both of the Government of India) and the rules made there under in respect of any employee or workman employed or engaged by him or his Sub-Contractor.
- 2.2 All registration and statutory inspection fees, if any, in respect of his work pursuant to this Contract shall be to the account of the Contractor. However, any registration, statutory inspection fees lawfully payable under any statutory laws and its amendments from time to time during erection in respect of the equipment ultimately to be owned by the Employer, shall be to the account of the Employer. Should any such inspection or registration need to be re-arranged due to the fault of the Contractor or his Sub Contractor, the additional fees to such inspection and/or registration shall be borne by the Contractor.

### **3.0 EMPLOYER'S LIEN ON EQUIPMENT**

The Employer shall have lien on all equipment including those of the Contractor brought to the Site for the purpose of erection, testing and commissioning of the equipment to be supplied & erected under the Contract. The Employer shall continue to hold the lien on all such equipment throughout the period of Contract. No material brought to the Site shall be removed from the Site by the Contractor and/or his Sub-Contractors without the prior written approval of the Engineer.

### **4.0 INSPECTION, TESTING AND INSPECTION CERTIFICATES**

The provisions of the clause entitled Inspection, Testing and Inspection Certificates under Technical Specifications, Section GTR shall also be applicable to the erection portion of the Works. The Engineer shall have the right to reinspect any equipment

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To be inserted:      (\*) Name of State    (\*\*) Name of SDA    (\*\*\*) Name of Central Public Sector Utility



though previously inspected and approved by him at the Contractor's works, before and after the same are erected at Site. If by the above inspection, the Engineer rejects any equipment, the Contractor shall make good for such rejections either by replacement or modifications/repairs as may be necessary to the satisfaction of the Engineer. Such replacement will also include the replacements or re-execution of such of those works of other Contactors and/or agencies, which might have got damaged or affected by the replacements or re-work done to the Contractor's work.

## **5.0 ACCESS TO SITE AND WORKS ON SITE**

- 5.1 Suitable access to and possession of the Site shall be afforded to the Contractor by the Employer in reasonable time.
- 5.2 The Employer shall have the necessary foundations to be provided by him ready, as per the agreed schedule for the execution of the individual phases of works
- 5.3 The works so far as it is carried out on the Employer's premises, shall be carried out at such time as the Employer may approve and the Employer shall give the Contractor reasonable facilities for carrying out the works.
- 5.4 In the execution of the works, no person other than the Contractor or his duly appointed representative, Sub- Contractor and workmen, shall be allowed to do work on the Site, except by the special permission, in writing of the Engineer or his representative.

## **6.0 CONTRACTOR'S SITE OFFICE ESTABLISHMENT**

The Contractor shall establish a Site Office at the site and keep posted an authorized representative for the purpose of the Contract. Any written order or instruction of the Engineer or his duly authorised representative, shall be communicated to the said authorised resident representative of the Contractor and the same shall be deemed to have been communicated to the Contractor at his legal address.

## **7.0 CO-OPERATION WITH OTHER CONTRACTORS**

- 7.1 The Contractor shall co-operate with all other Contractors or tradesmen of the Employer, who may be performing other works on behalf of the Employer and the workmen who may be employed by the Employer and doing work in the vicinity of the Works under the Contract. The Contractor shall also so arrange to perform his work as to minimize, to the maximum extent possible, interference with the work of other Contractors and their workmen. Any injury or damage that may be sustained by the employees of the other Contractors and the Employer, due to the Contractor's work shall promptly be made good at the Contractor's own expense. The Engineer shall determine the resolution of any difference or conflict that may arise between the Contractor and other Contractors or between the Contractor and the workmen of the Employer in regard to their work. If the work of the Contractor is delayed because of

any acts of omission of another Contractor, the Contractor shall have no claim against the Employer on that account other than an extension of time for completing his Works.

- 7.2 The Engineer shall be notified promptly by the Contractor of any defects in the other Contractor's works that could affect the Contractor's Works. The Engineer shall determine the corrective measures, if any, required to rectify this situation after inspection of the works and such decision by the Engineer shall be binding on the Contractor.

## **8.0 DISCIPLINE OF WORKMEN**

The Contractor shall adhere to the disciplinary procedure set by the Engineer in respect of his employees and workmen at Site. The Engineer shall be at liberty to object to the presence of any representative or employee of the Contractor at the Site, if in the opinion of the Engineer such employee has misconducted himself or is incompetent or negligent or otherwise undesirable and then the Contractor shall remove such a person objected to and provide in his place a competent replacement.

## **9.0 CONTRACTOR'S FIELD OPERATION**

- 9.1 The Contractor shall keep the Engineer informed in advance regarding his field activity plans and schedules for carrying-out each part of the works. Any review of such plan or schedule or method of work by the Engineer shall not relieve the Contractor of any of his responsibilities towards the field activities. Such reviews shall also not be considered as an assumption of any risk or liability by the Engineer or the Employer or any of his representatives and no claim of the Contractor will be entertained because of the failure or inefficiency of any such plan or schedule or method of work reviewed. The Contractor shall be solely responsible for the safety, adequacy and efficiency of plant and equipment and his erection methods.
- 9.2 The Contractor shall have the complete responsibility for the conditions of the Work-site including the safety of all persons employed by him or his SubContractor and all the properties under his custody during the performance of the work. This requirement shall apply continuously till the completion of the Contract and shall not be limited to normal working hours. The construction review by the Engineer is not intended to include review of Contractor's safety measure's in, on or near the Work-Site, and their adequacy or otherwise.

## **10.0 PHOTOGRAPHS AND PROGRESS REPORT**

- 10.1 The Contractor shall furnish three (3) prints each to the Engineer of progress photographs of the work done at Site. Photographs shall be taken as and when indicated by the Engineer or his representative. Photographs shall be adequate in size and number to indicate various stages of erection. Each photograph shall contain the date, the name of the Contractor and the title of the photograph.

- 10.2 The above photographs shall accompany the monthly progress report detailing out the progress achieved on all erection activities as compared to the schedules. The report shall also indicate the reasons for the variance between the scheduled and actual progress and the action proposed for corrective measures, wherever necessary.

### **11.0 MAN-POWER REPORT**

- 11.1 The Contractor shall submit to the Engineer, on the first day of every month, a man hours schedule for the month, detailing the man hours scheduled for the month, skill-wise and area-wise.
- 11.2 The Contractor shall also submit to the Engineer, on the first day of every month, a man-power report of the previous month detailing the number of persons scheduled to have been employed and actually employed, skill-wise and the areas of employment of such labour.

### **12.0 PROTECTION OF WORK**

The Contractor shall have total responsibility for protecting his works till it is finally taken over by the Engineer. No claim will be entertained by the Employer or by the Engineer for any damage or loss to the Contractor's works and the Contractor shall be responsible for complete restoration of the damaged works to original conditions to comply with the specification and drawings, should any such damage to the Contractor's works occur because of any other party not being under his supervision or control. The Contractor shall make his claim directly with the party concerned. If disagreement or conflict or dispute develops between the Contractor and the other party or parties concerned regarding the responsibility for damage to the Contractor's works, the same shall be resolved as per the provisions of the Clause 7.0 above entitled "Cooperation with other Contractors". The Contractor shall not cause any delay in the repair of such damaged works because of any delay in the resolution of such dispute. The Contractor shall proceed to repair the Work immediately and no cause thereof will be assigned pending resolution of such disputes.

### **13.0 EMPLOYMENT OF LABOUR**

- 13.1 The Contractor will be expected to employ on the work only his regular skilled employees with experience of his particular work. No female labour shall be employed after darkness. No person below the age of eighteen years shall be employed.
- 13.2 All traveling expenses including provisions of all necessary transport to and from Site, lodging allowances and other payments to the Contractor's employees shall be the sole responsibility of the Contractor.
- 13.3 The hours of work on the Site shall be decided by the Employer and the Contractor shall adhere to it. Working hours will normally be eight (8) hours per day-Monday

through Saturday.

- 13.4 The Contractor's employees shall wear identification badges while on work at Site.
- 13.5 In case the Employer becomes liable to pay any wages or dues to Labour or any Government agency under any of the provisions of the Minimum Wages Act, Workmen Compensation Act, Contract Labour Regulation Abolition Act or any other law due to act of omission of the Contractor, the Employer may make such payment and shall recover the same from the Contractor's bills.

### 13.6 **Compliance with Labour Regulations**

- 13.6.1 During continuance of the contract, the Contractor and his sub-contractors shall abide at all times by all applicable existing labour enactments and rules made there-under, regulations, notifications and byelaws of the State or Central Government or local authority and any other labour law (including rules), regulations, bye laws that may be passed or notification that may be issued under any labour law in future either by the State or the Central Government or the local authority. The employees of the Contractor and the Sub-contractor in no case shall be treated as the employees of the Employer at any point of time.
- 13.6.2 The Contractor shall keep the Employer indemnified in case any action is taken against the Employer by the competent authority on account of contravention of any of the provisions of any Act or rules made there under, regulations, or notifications including amendments.
- 13.6.3 If the Employer is caused to pay under any law as Principal Employer such amount as may be necessary to cause or observe, or for nonobservance of the provisions stipulated in the Notifications / Byelaws / Acts / Rules / Regulations including amendments, if any, on the part of the Contractor, the Employer shall have the right to deduct any money due to the Contractor under this contract or any other contract with the Employer including his amount of performance security for adjusting the aforesaid payment. The Employer shall also have right to recover from the Contractor any sum required or estimated to be required for making good the loss or damage suffered by the Employer.
- 13.6.4 Salient features of some major laws applicable to establishments engaged in building and other construction works:
- (a) Workmen Compensation Act 1923: The Act provides for compensation in case of injury by accident arising out of and during the course of employment.
  - (b) Payment of Gratuity Act 1972: Gratuity is payable to an employee under the Act on satisfaction of certain conditions on separation if an employee has completed 5 years service or more or on death the rate of 15 days wages for every completed year of service. The Act is applicable to all establishments employing 10 or more employees.

- (c) Employee P.F. and Miscellaneous Provision Act 1952: The Act provides for more contribution by the Employer plus workers @ 10% or 8.33%. The benefits under these are:
- i) Pension or family pension on retirement or death, as the case may be.
  - ii) Deposit linked insurance on death in harness of the worker.
  - iii) Payment of P.F. accumulation on retirement/death etc.
- (d) Maternity Benefit Act 1951: The Act provides for leave and some other benefit for women employees in case of confinement or miscarriage etc.
- (e) Contract Labour (Regulation & Abolition) Act 1970: The Act provides for certain welfare measures to be provided by the Contractor to contract labour and in case contractor fails to provide, the same are required to be provided, by the Principal Employer by law. The Principal Employer is required to take Certification of Registration and the Contractor is required to take license from the designated Officer: The Act applicable to the establishments or contractor of Principal Employer if they employ 20 or more contract labour.
- (f) Minimum Wages Act 1948: The Employer is supposed to pay not less than the Minimum Wages fixed by appropriate Govt. as per provision of the Act if the employment is scheduled employment.
- (g) Payment of Wages Act 1936: It lays down as to by what date the wages are to be paid, when it will be paid and what deductions can be made from the wages of the workers.
- (h) Equal Remuneration Act 1979: The Act provides for payment of equal wages for work of equal nature to male and female workers and for not making discrimination against female employees in the matters of transfer, training and promotions etc.
- (i) Payment of Bonds Act 1965: The Act is applicable to all establishments employing 20 or more employees. The Act provides for payments of annual bonus subject to a minimum of 8.33% of wages and maximum of 20% of wages to employees drawing RS.3500/- per month or less. The bonus is to be paid to employees getting RS.2500 per month or above upto RS.3500/- per month shall be worked out by taking wages of RS.2500/- per month only. The Act does not apply to certain establishments. The newly set-up establishments are exempted for five years in certain circumstances. Some of the State Governments have reduced the employment size from 20 to 10 for the purpose of applicability of this Act.
- (j) Industrial Dispute Act 1947: The act lays down the machinery and procedure for resolution of industrial disputes, in what situations as strike or lock-out becomes illegal and what are the requirements for laying off or retrenching the employees or closing down the establishment.
- (k) Industrial Employment (Standing Orders) act 1946: It is applicable to all establishments employing 100 or more workmen (employment size reduced by some of the States and Central Government to 50). The Act provides for laying

down rules governing the conditions of employment by the Employer on matters provided in the Act and get the same certified by the designated Authority.

- (l) Trade Unions, Act 1926: The Act lays down the procedure for registration of trade unions of workmen and Employers. The Trade Unions registered under the Act have been given certain immunities from civil and criminal liabilities.
- (m) Child Labour (Prohibition & Regulation) Act 1986: The Act prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulations of employment of children in all other occupations and processes. Employment of Child Labour is prohibited in building and Construction Industry.
- (n) Inter-State Migrant Workmen's (Regulation of Employment & Conditions of Service) Act 1979: The Act is applicable to an establishment which employs 5 or more inter-state migrant workmen through an intermediary (who has recruited workmen in one state for employment in the establishment situated in another state). The Inter-State migrant workmen, in an establishment to which this Act becomes applicable, are required to be provided certain facilities such as; housing, medical aid, traveling expenses from home upto the establishment and back, etc.
- (o) The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act 1996 and the Cess Act of 1996: All the establishments who. Carry on any building or other construction work and employ 10 or more workers are covered under this Act. All such establishments are required to pay cess at the rate not exceeding 2% of the cost of construction as may be modified by the Government. The Employer of the establishment is required to provide safety measures at the building or construction work and other welfare measures, such as canteens, first-aid facilities, ambulance, housing accommodations for workers near the work place etc. The Employer to whom the Act applies has to obtain a registration certificate from the Registering Officer appointed by the Government.
- (p) Factories Act 1948: The Act lays down the procedure for approval at plans before setting up a factory, health and safety provisions welfare provisions, working hours, annual earned leave and rendering information regarding accidents or dangerous occurrences to designated authorities. It is applicable to premises employing 10 persons or more with aid of power or 20 or more persons without the aid of power engaged in manufacturing process.

## **14.0 FACILITIES TO BE PROVIDED BY THE EMPLOYER**

### **14.1 Space**

Land for Contractor's Office, Store, Workshop etc.

- a) The Engineer shall at his discretion and for the duration of execution of the Contract make available at site, land for construction of Contractor's field

office, workshop, stores, magazines for explosives in isolated locations, assembling yard, etc. required for execution of the Contract. Any construction of temporary roads, offices, workshop, etc. as per plan approved by the Engineer shall be done by the Contractor at his cost.

- b) On completion of work the Contractor shall hand over the land duly cleaned to the Engineer. Until and unless the Contractor has handed over the vacant possession of land allotted to him for the above purpose, the payment of his final bill shall not be made. The Contractor shall be made liable to pay for the use and occupation at the rates to be determined by the Engineer if the Contractor over stays in the land after the Contract is completed.

## **14.2 Electricity:**

### **Power supply:**

Where power supply is available with the Employer for construction purpose the same will be provided at the job site at one point of the distribution system as may be decided by Engineer free to charge for consumption in works. Electricity furnished will be 440 volts, 3 phases, 50 cycles and 230 volts, 1 phase, 50 cycles. Each Contractor shall provided and install all necessary transformers, switchgears, wiring fixtures, bulbs and other temporary equipment for further distribution and utilization of energy for power and lighting and shall remove the same on completion of the work. Should, however, electricity be used in the Contractor's labour/staff colony, the power so consumed shall be charged at the prevailing tariff rate of State Electricity Board as prevalent for that area at the time of award of work; the supply may be withdrawn if the power is used for purpose other than for the work of the project and the Contractor shall not be entitled to any claim whatsoever on account of any such action taken by the Engineer.

## **14.3 Water**

Free supply of water will be made available for the construction purpose wherever water is available and the same shall be given at an agreed single point at the Site. Any further distribution will be the responsibility of the Contractor. Free drinking water if available will also be provided at one agreed point in the Site. Further distribution either to his labour colony or his work Site or to his office shall be responsibility of the Contractor.

## **15.0 FACILITIES TO BE PROVIDED BY THE CONTRACTOR**

### **15.1 Tools, tackles and scaffoldings**

The Contractor shall provide all the construction equipment; tools, tackles and scaffoldings required for pre-assembly, erection, testing and commissioning of the equipment covered under the Contract. He shall submit a list of all such materials to the Engineer before the commencement of pre-assembly at Site. These tools and tackles shall not be removed from the Site without the written permission of the Engineer.

## 15.2 Communication

The Employer will extend the telephone and telex facilities, if available at Site, for purposes of Contract. The Contractor shall be charged at actual for such facilities.

## 15.3 First-aid

15.3.1 The Contractor shall provide necessary first-aid facilities for all his employees, representatives and workmen working at the Site. Enough number of Contractor's personnels shall be trained in administering first-aid.

15.3.2 The Employer will provide the Contractor, in case of any emergency, the services of an ambulance for transportation to the nearest hospital.

## 15.4 Cleanliness

15.4.1 The Contractor shall be responsible for keeping the entire area allotted to him clean and free from rubbish, debris etc. during the period of Contract. The Contractor shall employ enough number of special personnel to thoroughly clean his work-area atleast once in a day. All such rubbish and scrap material shall be stacked or disposed off in a place to be identified by the Engineer. Materials and stores shall be so arranged to permit easy cleaning of the area. In areas where equipment might drip oil and cause damage to the floor surface, a suitable protective cover of a flame resistant, oil proof sheet shall be provided to protect the floor from such damage.

15.4.2 Similarly the labour colony, the offices and the residential areas of the Contractor's employees and workmen shall be kept clean and neat to the entire satisfaction of the Engineer. Proper sanitary arrangement shall be provided by the Contractor, in the work-areas, office and residential areas of the Contractor.

## 16.0 LINES AND GRADES

All the works shall be performed to the lines, grades and elevations indicated on the drawings. The Contractor shall be responsible to locate and lay-out the works. Basic horizontal and vertical control points will be established and marked by the Engineer at site at suitable points. These points shall be used as datum for the works under the Contract. The Contractor shall inform the Engineer well in advance of the times and places at which he wishes to do work in the area allotted to him so that suitable datum points may be established and checked by the Engineer to enable the Contractor to proceed with his works. Any work done without being properly located may be removed and/or dismantled by the Engineer at Contractor's expense.

## 17.0 FIRE PROTECTION

17.1 The work procedures that are to be used during the erection shall be those, which minimize fire hazards to the extent practicable. Combustible materials, combustible



waste and rubbish shall be collected and removed from the Site at least once each day. Fuels, oils and volatile or inflammable materials shall be stored away from the construction and equipment and materials storage areas in safe containers. Untreated materials shall not at all be used at Site for any other purpose unless otherwise specified. If any such materials are received with the equipment at the Site, the same shall be removed and replaced with acceptable materials before moving into the construction' or storage area.

17.2 Similarly, corrugated paper fabricated cartons etc. will not be permitted in the construction area either storage or for handling of materials. All such materials used shall be of waterproof and flame resistant type. All other materials such as working drawings, plans etc., which are combustible but are essential for the works to be executed shall be protected against combustion resulting from welding sparks, cutting flames and other similar fire sources.

17.3 All the Contractor's supervisory personnel and sufficient number of workers shall be trained for fire fighting and shall be assigned specific fire protection duties.

Enough of such trained personnel must be available at the Site during the entire period of the Contract.

17.4 The Contractor shall provide enough fire protection equipment of the types and numbers for the warehouses, office, temporary structures, labour colony area etc. Access to such fire protection equipment shall be easy and kept open at all times.

## **18.0 SECURITY**

The Contractor shall have total responsibility for all equipment and materials in his custody/stores, loose, semi-assembled and/or erected by him at Site. The Contractor shall make suitable security arrangements including employment of security personnel to ensure the protection of all materials, equipment and works from theft, fire, pilferage and any other damages and loss. All materials of the Contractor shall enter and leave the project site only with the written permission of the Engineer in the prescribed manner.

## **19.0 CONTRACTOR'S AREA LIMITS**

The Engineer will mark-out the boundary limits of access roads, parking spaces, storage and construction areas for the Contractor and the Contractor shall not trespass the areas not so marked .out for him. The Contractor shall be responsible to ensure none of his personnel move out of the areas marked out for his operations. In case of such a need for the Contractor's personnel to work out of the areas marked out for him, the same shall be done only with the written permission of the Engineer.

## **20.0 CONTRACTOR'S CO-OPERATION WITH THE EMPLOYER**

In case where the performance of the erection work by the Contractor affects the operation of the system facilities of the Employer, such erection work of the Contractor shall be scheduled to be performed only in the manner stipulated by the Engineer and the same shall be acceptable at all times to the Contractor. The Engineer may impose such restrictions on the facilities provided to the Contractor such as electricity, water, etc. as he may think fit in the interest of the Employer and the Contractor shall strictly adhere to such restrictions and co-operate with the Engineer. It will be the responsibility of the Contractor to provide all necessary temporary instrumentation and other measuring devices required during start-up and operation of the equipment systems, which are erected by him. The Contractor shall also be responsible for flushing and initial filling of all the oil and lubricants required for the equipment furnished and erected by him, so as to make such equipment ready for operation. The Contractor shall be responsible for supplying such flushing oil and other lubricants unless otherwise specified elsewhere in the document and specifications.

## **21.0 PRE-COMMISSIONING TRIALS AND INITIAL OPERATIONS**

The pre-commissioning trials and initial operations of the equipment furnished and erected by the Contractor shall be the responsibility of the Contractor as detailed in relevant clauses in Technical Specifications, Section GTR. The Contractor shall provide, in addition, test instruments, calibrating devices, etc and labour required for successful performance of these trials. If it is anticipated that the above test may prolong for a long time, the Contractor's workmen required for the above test shall always be present at Site during such trials.

## **22.0 MATERIALS HANDLING AND STORAGE**

- 22.1 All the equipment furnished under the Contract and arriving at Site shall be promptly received, unloaded, transported and stored in the storage spaces by the Contractor.
- 22.2 Contractor shall be responsible for examining all the shipment and notify the Engineer immediately of any damages, storage, discrepancy etc, for the purpose of Engineer's information only. The Contractor shall submit to the Engineer every week a report detailing all the receipts during the week. However, the Contractor shall be solely responsible for any shortages or damages in transit, handling and/ or in storage and erection of the equipment at Site. Any demurrage" wharfage and other such charges claimed by the transporters, railways etc, shall be to the account of the Contractor.
- 22.3 The Contractor shall maintain an accurate and exhaustive record detailing out the list of all equipment received by him for the purpose of erection and keep such record open for the inspection of the Engineer in-charge.

- 22.4 All equipment shall be handled very carefully to prevent any damage or loss. No bare wire ropes, slings, etc. shall be used for unloading and/or handling of the equipment without the specific written permission of the Engineer. The equipment stored shall be properly protected to prevent damage either to the equipment or to the floor where they are stored. The equipment from the store shall be moved to the actual location at the appropriate time so as to avoid damage of such equipment at Site.
- 22.5 All electrical panels, control gears, motors and such other devices shall be properly dried by heating before they are installed and energized. Motor bearings, slip ring, commutators and other exposed parts shall be protected against moisture ingress and corrosion during storage and periodically inspected.
- 22.6 All the electrical equipment such as motors, generators, etc. shall be tested for insulation resistance at least once in three months from the date of receipt till the date of commissioning and a record of such measured insulation values maintained by the Contractor. Such records shall be opened for inspection by the Engineer.
- 22.7 The Contractor shall ensure that all the packing materials and protection devices, used for various equipment during transit and storage, are removed before the equipment are installed.
- 22.8 The consumable and other supplies likely to deteriorate due to storage must be thoroughly protected and stored in a suitable manner to prevent damage or deterioration in quality by storage.
- 22.9 All the materials stored in the open or dusty location must be covered with suitable weatherproof and flame proof covering material wherever applicable.
- 22.10 If the materials belonging to the Contractor are stored in areas other than those earmarked for him, the Engineer will have the right to get it moved to the area earmarked for the Contractor at the Contractor's cost.
- 22.11 The Contractor shall be responsible for making suitable indoor storage facilities to store all equipment, which require indoor storage. Normally all the electrical equipment such as motors, control gears, generators, exciters and consumables like electrodes, lubricants etc. shall be stored in the closed storage space. The Engineer, in addition, may direct the Contractor to move certain other materials, which in his opinion will require indoor storage, to indoor storage areas, which the Contractor shall strictly comply with.

## **23.0 CONSTRUCTION MANAGEMENT**

- 23.1 The field activities of the Contractors working at Site, will be coordinated by the Engineer and the Engineer's decision shall be final in resolving any disputes or conflicts between the Contractor and other Contractors and the tradesmen of the Employer regarding scheduling and coordination of work. Such decision by the

Engineer shall not be a cause for extra compensation or extension of time for the Contractor.

- 23.2 The Engineer shall hold weekly meetings of all the Contractors working at Site, at a time and place to be designated by the Engineer. The Contractor shall attend such meetings and take notes of discussions during the meeting and the decision of the Engineer and shall strictly adhere to those decisions in performing his works. In addition to the above weekly meeting, the Engineer may call for other meetings either with individual Contractors or with selected number of Contractors and in such a case the Contractors if called, will also attend such meetings.
- 23.3 Time is the essence of the Contract and the Contractor shall be responsible for performance of his works in accordance with the specified construction schedule. If at any time, the Contractor is falling behind the schedule, he shall take necessary action to make good for such delays by increasing his work force or by working overtime or otherwise accelerate the progress of the work to comply with the schedule and shall communicate such actions in writing to the Engineer, satisfying that his action will compensate for the delay. The Contractor shall not be allowed any extra compensation for such action.
- 23.4 The Engineer shall, however, not be responsible for provision of additional labour and/or materials or supply or any other services to the Contractor except for the coordination work between various Contractors as set out earlier.

#### **24.0 FIELD OFFICE RECORDS**

The Contractor shall maintain at his Site office up to date copies of all drawings, specifications and other Contract Documents and any other supplementary data complete with all the latest revisions thereto. The Contractor shall also maintain in addition the continuous record of all changes to the above Contract Documents, drawings, specifications, and supplementary data, etc. effected at the field and on completion of his total assignment under the Contract shall incorporate all such changes on the drawings and other Engineering data to indicate as installed conditions of the equipment furnished and erected under the Contract. Such drawings and Engineering data shall be submitted to the Engineer in required number of copies.

#### **25.0 CONTRACTOR'S MATERIALS BROUGHT ON TO SITE**

- 25.1 The Contractor shall bring to Site all equipment, components, parts, materials, including construction equipment, tools and tackles for the purpose of the works under intimation to the Engineer. All such goods shall, from the time of their being brought vest in the Employer, but may be used for the purpose of the works only and shall not on any account be removed or taken away by the Contractor without the written permission of the Engineer. The Contractor shall nevertheless be solely liable and responsible for any loss or destruction thereof and damage thereto.

- 25.2 The Employer shall have a lien on such goods for any sum or sums which may at any time be due or owing to him by the Contractor, under, in respect of or by reasons of the Contract. After giving a fifteen (15) days notice in writing of his intention to do so, the Employer shall be at liberty to sell and dispose off any such goods, in such manner as he shall think fit including public auction or private treaty and to apply the proceeds in or towards the satisfaction of such sum or sums due as aforesaid.
- 25.3 After the completion of the Works, the Contractor shall remove from the Site under the direction of the Engineer the materials such as construction equipment, erection tools and tackles, scaffolding etc. with the written permission of the Engineer. If the Contractor fails to remove such materials, within fifteen (15) days of issue of a notice by the Engineer to do so then the Engineer shall have the liberty to dispose off such materials as detailed under Clause 25.2 above and credit the proceeds thereto to the account of the Contractor.

## **26.0 PROTECTION OF PROPERTY AND CONTRACTOR'S LIABILITY**

- 26.1 The Contractor shall be responsible for any damage resulting from his operations. He shall also be responsible for protection of all persons including members of public and employees of the Employer and the employees of other Contractors and Sub-Contractors and all public and private property including structures, building, other plants and equipment and utility either above or below the ground.
- 26.2 The Contractor will ensure provision of necessary safety equipment such as barriers, signboards, warning lights and alarms, etc. to provide adequate protections to persons and property. The Contractor shall be responsible to give reasonable notice to the Engineer and the Employer of public or private property and utilities when such property and utilities are likely to get damaged or injured during the performance of his works and shall make all necessary arrangements with such Employers, related to removal and/ or replacement or protection of such property and utilities.

## **27.0 PAINTING**

All exposed metal parts of the equipment including piping, structures, railing etc. wherever applicable, after installation unless otherwise surface protected, shall be first painted with at least one coat of suitable primer which matches the shop primer paint used, after thoroughly cleaning all such parts of all dirt, rust, scales, grease, oil and other foreign materials by wire brushing, scraping or sand blasting and the same being inspected and approved by the Engineer for painting. Afterwards, the above parts shall be finished painted with two coats of allowed resin machinery enamel paints. The quality of the finish paint shall be as per the standards of ISI or equivalent and shall be of the colour as approved by the Engineer.

## 28.0 INSURANCE

28.1 In addition to the conditions covered under the Clause entitled 'Insurance' in General Terms and Conditions of Contract of this Volume-I, the following provisions will also apply to the portion of works to be done beyond the Contractor's own or his Sub-Contractor's manufacturing Works.

### 28.2 Workmen's Compensation Insurance

This insurance shall protect the Contractor against all claims applicable under the Workmen's Compensation Act, 1948 (Government of India). This policy shall also cover the Contractor against claims for injury, disability, disease or death of his or his Sub-Contractor's employee, which for any reason are not covered under the Workmen's Compensation Act, 1948. The liabilities shall not be less than:

Workmen's Compensation	:	As per statutory Provisions
Employee's liability	:	As per statutory Provisions

### 28.3 Comprehensive Automobile Insurance

This insurance shall be in such a form to protect the Contractor against all claims for injuries, disability, disease and death to members of public including the Employer's men and damage to the property of others arising from the use of motor vehicles during, on or off the Site operations, irrespective of the Employership of such vehicles. The liability covered shall be as herein indicated:

Fatal Injury	:	Rs.100,000 each person Rs.200,000 each occurrence
Property Damage	:	Rs.100,000 each occurrence

### 28.4 Comprehensive General Liability Insurance

28.4.1 The insurance shall protect the Contractor against all claims arising from injuries, disabilities, disease or death of members of public or damage to property of others, due to any act of omission on the part of the Contractor, his agents, his employees, his representatives and Sub-Contractors or from riots, strikes and civil commotion. This insurance shall also cover all the liabilities of the Contractor arising out of the Clause entitled 'Defence of Suits' under General Terms and Conditions of Contract of this Volume-I.

28.4.2 The hazards to be covered will pertain to all the works and areas where the Contractor, his Sub-Contractors, his agents and his employees have to perform work pursuant to the Contract.

28.5 The above are only illustrative list of insurance covers normally required and it will be the responsibility of the Contractors to maintain all necessary insurance coverage to

the extent both in time and amount to take care of all his liabilities either direct or indirect, in pursuance of the Contract.

## **29.0 UNFAVOURABLE WORKING CONDITIONS**

The Contractor shall confine all his field operations to those works, which can be performed without subjecting the equipment and materials to adverse effects during inclement weather conditions, like monsoon, storms etc. and during other unfavorable construction conditions. No field activities shall be performed by the Contractor under conditions, which might adversely affect the quality and efficiency thereof, unless special precautions or measures are taken by the Contractor in a proper and satisfactory manner in the performance of such Works and with the concurrence of the Engineer. Such unfavorable construction conditions will in no way relieve the Contractor of his responsibility to perform the Works as per the schedule.

## **30.0 PROTECTION OF MONUMENTS AND REFERENCE POINTS**

The Contractor shall ensure that any finds such as relic, antiquity, coins, fossils, etc. which he may come across during the course of performance of his Works either during excavation or elsewhere, are properly protected and handed over to the Engineer. Similarly the Contractor shall ensure that the bench marks, reference points, etc, which are marked either with the help of Engineer or by the Engineer shall not be disturbed in any way during the performance of his Works. If any work is to be performed which disturbs such reference the same shall be done only after these are transferred to other suitable locations under the direction of the Engineer. The Contractor shall provide all necessary materials and assistance for such relocation of reference points etc.

## **31.0 WORK & SAFETY REGULATIONS**

31.1 The Contractor shall ensure proper safety of all the workmen, materials, plant and equipment belonging to him or to the Employer or to others, working at the Site. The Contractor shall also be responsible for provision of all safety notices and safety equipment required both by the relevant legislations and the Engineer, as he may deem necessary.

31.2 The Contractor will notify well in advance to the Engineer of his intention to bring to the Site any container filled with liquid or gaseous fuel or explosive' or petroleum substance or such chemicals which may involve hazards. The Engineer shall have the right to prescribe the conditions, under which such container is to be stored, handled and used during the performance of the works and the Contractor shall strictly adhere to and comply with such instructions. The Engineer shall have the right at his sole discretion to inspect any such container or such construction plant/equipment for which material in the container is required to be used and if in his opinion, its use is not safe, he may forbid its use. No claim due to such prohibition shall be entertained by the Employer and the Employer shall not entertain any claim

of the Contractor towards additional safety provisions/conditions to be provided for/constructed as per the Engineer's instructions.

Further, any such decision of the Engineer shall not, in any way, absolve the Contractor of his responsibilities and in case, use of such a container or entry thereof into the Site area is forbidden by the Engineer, the Contractor shall use alternative methods with the approval of the Engineer without any cost implication to the Employer or extension of work schedule.

- 31.3 Where it is necessary to provide and/or store petroleum products or petroleum mixtures and explosives, the Contractor shall be responsible for carrying-out such provision and/or storage in accordance with the rules and regulations laid down in Petroleum Act 1934, Explosives Act, 1948 and Petroleum and Carbide of Calcium Manual published by the Chief Inspector of Explosives of India. All such storage shall have prior approval of the Engineer. In case, any approvals are necessary from the Chief Inspector (Explosives) or any statutory authorities, the Contractor shall be responsible for obtaining the same.
- 3.1.4 All equipment used in construction and erection by Contractor shall meet Indian/International Standards and where such standards do not exist, the Contractor shall ensure these to be absolutely safe. All equipment shall be strictly operated and maintained by the Contractor in accordance with manufacturer's Operation Manual and safety instructions and as per Guidelines/rules of the Employer in this regard.
- 31.5 Periodical examinations and all tests for all lifting/hoisting equipment & tackles shall be carried-out in accordance with the relevant provisions of Factories Act 1948, Indian Electricity Act 1910 and associated Laws/Rules in force from time to time. A register of such examinations and tests shall be properly maintained by the Contractor and will be promptly produced as and when desired by the Engineer or by the person authorized by him.
- 31.6 The Contractor shall provide suitable safety equipment of prescribed standard to all employees and workmen according to the need, as may be directed by the Engineer who will also have right to examine these safety equipment to determine their suitability, reliability, acceptability and adaptability.
- 31.7 The Contractor shall be fully responsible for the safe storage of his and his Sub-Contractor's radioactive sources in accordance with BARC/DAE Rules and other applicable provisions. All precautionary measures stipulated by BARC/DAE in connection with use, storage and handling of such material will be taken by the Contractor.
- 31.8 Where explosives are to be used, the same shall be used under the direct control and supervision of an expert, experienced, qualified and competent person strictly in accordance with the Code of Practice/Rules framed under Indian Explosives Act pertaining to handling, storage and use of explosives.



- 31.9 The Contractor shall provide safe working conditions to all workmen and employees at the Site including safe means of access, railings, stairs, ladders, scaffoldings etc. The scaffoldings shall be erected under the control and supervision of an experienced and competent person. For erection, good and standard quality of material only, shall be used by the Contractor.
- 31.10 The Contractor shall not interfere or disturb electric fuses, wiring and other electrical equipment belonging to the Employer or other Contractors under any circumstances, whatsoever, unless expressly permitted in writing by the Employer to handle such fuses, wiring or electrical equipment
- 31.11 Before the Contractor connects any electrical appliances to any plug or socket belonging to the other Contractor or Employer, he shall:
- a) Satisfy the Engineer that the appliance is in good working condition;
  - b) Inform the Engineer of the maximum current rating, voltage and phases of the appliances;
  - c) Obtain permission of the Engineer detailing the sockets to which the appliances may be connected.
- 31.12 The Engineer will not grant permission to connect until he is satisfied that;
- a) The appliance is in good condition and is fitted with suitable plug;
  - b) The appliance is fitted with a suitable cable having two earth conductors, one of which shall be an earthed metal sheath surrounding the cores.
- 31.13 No electric cable in use by the Contractor/Employer will be disturbed without prior permission. No weight of any description will be imposed on any cable and no ladder or similar equipment will rest against or attached to it.
- 31.14 No repair work shall be carried out on any live equipment. The equipment must be declared safe by the Engineer and a permit to work shall be issued by the Engineer before any repair work is carried out by the Contractor. While working on electric lines/equipment, whether live or dead, suitable type and sufficient quantity of tools will have to be provided by the Contractor to electricians / workmen/ officers.
- 31.15 The Contractors shall employ necessary number of qualified, full time electricians/electrical supervisors to maintain his temporary electrical installation.
- 31.16 The Contractor employing more than 250 workmen whether temporary, casual, probationer, regular or permanent or on contract, shall employ at least one full time officer exclusively as safety officer to supervise safety aspects of the equipment and workmen, who will coordinate with the Project Safety Officer. In case of work being carried out through Sub-Contractors, the Sub-Contractor's workmen/employees will also be considered as the Contractor's employees/workmen for the above purpose.

The name and address of such Safety Officers of the Contractor will be promptly informed in writing to Engineer with a copy to Safety Officer-In charge before he starts work or immediately after any change of the incumbent is made during currency of the Contract.

- 31.17 In case any accident occurs during the construction/ erection or other associated activities undertaken by the Contractor thereby causing any minor or major or fatal injury to his employees due to any reason, whatsoever, it shall be the responsibility of the Contractor to promptly inform the same to the Engineer in prescribed form and also to all the authorities envisaged under the applicable laws.
- 31.18 The Engineer shall have the right at his sole discretion to stop the work, if in his opinion the work is being carried out in such a way that it may cause accidents and endanger the safety of the persons and/or property, and/or equipment. In such cases, the Contractor shall be informed in writing about the nature of hazards and possible injury/accident and he shall comply to remove shortcomings promptly. The Contractor after stopping the specific work can, if felt necessary, appeal against the order of stoppage of work to the Engineer within 3 days of such stoppage of work and decision of the Engineer in this respect shall be conclusive and binding on the Contractor.
- 31.19 The Contractor shall not be entitled for any damages/compensation for stoppage of work due to safety reasons as provided in clause 31.18 above and the period of such stoppage of work will not be taken as an extension of time for completion of work and will not be the ground for waiver of levy of liquidated damages.
- 31.20 It is mandatory for the Contractor to observe during the execution of the works, requirements of Safety Rules which would generally include but not limited to following:

### **Safety Rules**

- a) Each employee shall be provided with initial indoctrination regarding safety by the Contractor, so as to enable him to conduct his work in a safe manner.
- b) No employee shall be given a new assignment of work unfamiliar to him without proper introduction as to the hazards incident thereto, both to himself and his fellow employees.
- c) Under no circumstances shall an employee hurry or take unnecessary chance when working under hazardous conditions.
- d) Employees must not leave naked fires unattended. Smoking shall not be permitted around fire prone areas and adequate fire fighting equipment shall be provided at crucial location.
- e) Employees under the influence of any intoxicating beverage, even to the slightest degree shall not be permitted to remain at work.
- f) There shall be a suitable arrangement at every work site for rendering prompt

---

To be inserted: (\*) Name of State (\*\*) Name of SDA (\*\*\*) Name of Central Public Sector Utility

and sufficient first aid to the injured.

- g) The staircases and passageways shall be adequately lighted.
- h) The employees when working around moving machinery, must not be permitted to wear loose garments. Safety shoes are recommended when working in shops or places where materials or tools are likely to fall. Only experienced workers shall be permitted to go behind guard rails or to clean around energized or moving equipment.
- i) The employees must use the standard protection equipment intended for each job. Each piece of equipment shall be inspected before and after it is used.
- j) Requirements of ventilation in underwater working to licensed and experienced divers, use of gum boots for working in slushy or in inundated conditions are essential requirements to be fulfilled.
- k) In case of rock excavation, blasting shall invariably be done through licensed blasters and other precautions during blasting and storage/transport of charge material shall be observed strictly.

31.21 The Contractor shall follow and comply with the Employer's Safety Rules, relevant provisions of applicable laws pertaining to the safety of workmen, employees, plant and equipment as may be prescribed from time to time without any demur, protest or contest or reservations. In case of any discrepancy between statutory requirement and Employer's Safety Rules referred above, the latter shall be binding on the Contractor unless the statutory provisions are more stringent.

31.22 If the Contractor fails in providing safe working environment as per Employer's Safety Rules or continues the work even after being instructed to stop work by the Engineer as provided in clause 31.18 above, the Contractor shall promptly pay to the Employer, on demand by the Employer, compensation at the rate of Rs. 5,000/- per day of part thereof till the instructions are complied with and so certified by the Engineer. However, in case of accident taking place, causing injury to any individual, the provisions contained in clause 31.23 shall also apply in addition to compensation mentioned in this clause.

31.23 If the Contractor does not take all safety precautions and/or fails to comply with the Safety Rules as prescribed by the Employer or under the applicable law for the safety of the equipment and plant and for the safety of personnel and the Contractor does not prevent hazardous conditions which cause injury to his own employees or employees of other Contractors or Employer's employees or any other person who are at Site or adjacent thereto, the Contractor shall be responsible for payment of compensation to the Employer as per the following schedule:

- |    |  |                           |
|----|--|---------------------------|
| a. | Fatal injury or accident causing death   | Rs. 1,00,000/per person   |
| b. | Major injuries or accident causing<br>25% or more permanent disablement<br>to Workmen or employees | Rs. 20,000/<br>per person |

*(These are applicable for death / injury to any person, whatsoever)*

Permanent disablement shall have same meaning as indicated in Workmen's Compensation Act. The compensation mentioned above shall be in addition to the compensation payable to the workmen/employees under the relevant provisions of the Workmen's Compensation Act and rules framed there under or any other applicable laws as applicable from time to time. In case the Employer is made to pay such compensation then the Contractor is liable to reimburse the Employer such amount in addition to the compensation indicated above.

- 31.24 If the Contractor observes all the Safety Rules and Codes, Statutory Laws and Rules during the currency of Contract awarded by the Employer and no accident occurs then the Employer may consider the performance of the Contractor and award suitable 'ACCIDENT FREE SAFETY MERITORIOUS AWARD' as per scheme as may be announced separately from time to time.

## **32.0 CODE REQUIREMENTS**

The erection requirements and procedures to be followed during the installation of the equipment shall be in accordance with the relevant Codes and accepted good engineering practice, the Engineer's drawings and other applicable Indian recognized codes and laws and regulation of the Government of India.

## **33.0 FOUNDATION DRESSING & GROUTING**

- 33.1 The surfaces of foundation shall be dressed to bring the top surface of the foundation to the required level, prior to placement of equipment/equipment bases on the foundation.
- 33.2 All the equipment bases and structural steel base plates shall be grouted and finished as per these specifications unless otherwise recommended by the equipment manufacturer.
- 33.3 The concrete foundation surfaces shall be properly prepared by chipping and/or grinding as required to bring the type of such foundation to the required level to provide the necessary roughness for bondage and to ensure enough bearing strength. All laitance and surface film shall be removed and cleaned.

### **33.4 Grouting Mix**

The grouting mixture shall be composed of Portland cement, sand and water. The Portland cement to be used shall conform to ISI NO.269 or equivalent. Sand shall conform to' ISI NO.383/2386 or equivalent. The grout proportions for flat bases where the grouting space does not exceed 35 mm shall be 50 Kg bag of cement to 75 Kg of sand. Only the required quantity of water shall be added so as to make the mix quaky and flowable and the mix shall not show excess water on top when it is being

puddled in place. For thicker grout beds upto 65 mm, the amount of sand shall be increased to 105 Kg per bag of cement. Bases which are hollow and are to be filled full of grouting shall be filled to a level of 25 mm above the outside rim with a mortar mix in the volumetric proportion of one part of cement and 1.5 part sand and 1.5 part 6 mm granite gravel. An acceptable plasticiser may be added to the grout mixes in a proportion recommended by the plasticiser's manufacturer. All such grouts shall be thoroughly mixed for not less than five minutes in an approved mechanical mixer and shall be used immediately after mixing.

### 33.5 **Placing of Grout**

33.5.1 After the base has been prepared, its alignment and level has been checked and approved and before actually placing the grout a low dam shall be set around the base at a distance that will permit pouring and manipulation of the grout. The height of such dam shall be at least 25 mm above the bottom of the base. Suitable size and number of chains shall be introduced under the base before placing the grout, so that such chains can be moved back and forth to push the grout into every part of the space under the base.

33.5.2 The grout shall be poured either through grout holes provided or shall be poured at one side or at two adjacent sides giving it a pressure head to make the grout move in a solid mass under the base and out in the opposite side. Pouring shall be continued until the entire space below the base is thoroughly filled and the grout stands at least 25mm higher all around than the bottom of the base. Enough care should be taken to avoid any air or water pockets beneath the bases.

### 33.6 **Finishing of the Edges of the Grout**

The poured grout should be allowed to stand undisturbed until it is well set. Immediately thereafter, the dam shall be removed and grout, which extends beyond the edges of the structural or equipment base plates shall be cut off, flushed and removed. The edges of the grout shall then be pointed and finished with 1:2 cement mortar pressed firmly to bond with the body of the grout and smoothed with a tool to present a smooth vertical surface. The work shall be done in a clean and scientific manner and the adjacent floor spaces, exposed edges of the foundations, and structural steel and equipment base plates shall be thoroughly cleaned of any spillage of the grout.

### 33.7 **Checking of Equipment after Grouting**

After the grout is set and cured, the Contractor shall check and verify the alignment of equipment, alignment of shafts of rotating machinery, the slopes of all bearings, pedestals, centering of rotors with respect to their sealing bores, couplings etc. as applicable and the like items to ensure that no displacement has taken place during grouting. The values recorded prior to grouting shall be used during such post grouting checkup and verification. Such pre and post grout records of alignment

details shall be maintained by the Contractor in a manner acceptable to the Engineer.

### **34.0 SHAFT ALIGNMENTS**

All the shafts of rotating equipment shall be properly aligned to those of the matching equipment to as perfect an accuracy as practicable. The equipment shall be free from excessive vibration so as to avoid overheating of bearings or other conditions, which may tend to shorten the life of the equipment. All bearings, shafts and other rotating parts shall be thoroughly cleaned and suitably lubricated before starting.

### **35.0 DOWELLING**

All the motors and other equipment shall be suitably dowelled after alignment of shafts with tapered machined dowels as per the direction of the Engineer.

### **36.0 CHECK OUT OF CONTROL SYSTEMS**

After completion of wiring, cabling furnished under separate specification and laid and terminated by the Employer, the Contractor shall check out the operation of all control system for the equipment furnished and installed under these specifications and documents.

### **37.0 CABLING**

- 37.1 All cables shall be supported by conduits or cable trays run in air or in cable channels. These shall be installed in exposed runs parallel or perpendicular to dominant surface with right angle turn made of symmetrical bends for fittings. When cables are run on cable trays, they shall be clamped at minimum intervals of 2000 mm or otherwise as directed by the Engineer.
- 37.2 Each cable, whether power or control, shall be provided with a metallic or plastic tag of an approved type, bearing a cable reference number indicated in the cable and conduit list (prepared by the Contractor), at every 5 metre run or part thereof and at both ends of the cable adjacent to the terminations. Cable routing is to be done in such a way that cables are accessible for any maintenance and for easy identification.
- 37.3 Sharp bending and kinking of cables shall be avoided. The minimum radii for PVC insulated cables 1100 V grade shall be 15 D, where D is the overall diameter of the cable. Installation of other cables like high voltage, coaxial, screened compensating, mineral insulated shall be in accordance with the cable manufacturer's recommendations. Wherever cables cross roads and water, oils, sewage or gas lines, special care should be taken for the protection of the cables in designing the cables channels.

- 37.4 In each cable run some extra length shall be kept at a suitable point to enable one or two straight through joints to be made, should the cable develop fault at a later date.
- 37.5 Control cable terminations shall be made in accordance with wiring diagrams, using identifying codes subject to Engineer's approval. Multi-core control cable jackets shall be removed as required to train and terminate the conductors. The cable jacket shall be left on the cable, as far as possible, to the point of the first conductor branch. The insulated conductors from which the jacket is removed shall be neatly twined in bundles and terminated. The bundles shall be firmly, but not tightly, tied utilizing plastic or nylon ties or specially treated fungus protected cord made for this purpose. Control cable conductor insulation shall be secure and even.
- 37.6 The connectors for control cables shall be covered with a transparent insulating sleeve so as to prevent accidental contact with ground or adjacent terminals and shall preferably be terminated in elmex terminals and washers. The insulating sleeve shall be fire resistant and shall be long enough to over pass the conductor insulation. All control cables shall be fanned out and connection made to terminal blocks and test equipment for proper operation before cables are corded together.

**END OF SECTION - ECC**

**SECTION – ANNEX**  
**ANNEXURES**



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**ANNEXURE-I**

**PROFORMA OF BANK GUARANTEE FOR BID GUARANTEE (To be stamped in accordance with Stamp Act) The non-judicial stamp paper should be in the name of issuing Bank**

Ref. ....

Bank Guarantee No. ....

Date .....

To

.....  
.....  
.....

Dear Sirs,

In accordance with Invitation to Bid under your Specification No..... M/s.....  
..... having its Registered/Head Office at  
..... (hereinafter called the 'Bidder') wish to participate in the said Bid or .....and you, as a special favour have agreed to accept an irrevocable and unconditional Bank Guarantee for an amount of..... valid upto ..on behalf of Bidder in lieu of the Bid deposit required to be made by the Bidder, as a condition precedent for participation in the said Bid.

We, the.....Bank at..... (local address) having our Head Office at .....guarantee and undertake to pay immediately on demand by\_\_\_\_\_ \*\*\* the amount of .....

.....

(in words & figures)

without any reservation, protest, demur and recourse. Any such demand made by said 'Employer' shall be conclusive and binding on us irrespective of any dispute or difference raised by the Bidder.

This Guarantee shall be irrevocable and -shall remain valid upto and including ..... @..... If any further extension' of this guarantee is required, the same shall be extended to such required period (not exceeding one year) on receiving instructions from M/s..... on whose behalf this guarantee is issued.

To be inserted: (\*) Name of State (\*\*) Name of SDA (\*\*\*) Name of Central Public Sector Utility

In witness whereof the Bank, through its authorized officer, has set its hand and stamp on this..... day of .....20..... at.....

**WITNESS**

.....  
(Signature)

.....  
(Signature)

.....  
(Name)

.....  
(Name)

.....  
(Official Address)

.....  
(Designation with Bank Stamp)

Attorney as per  
Power of Attorney No. ....  
Dated.....

@ This date shall be thirty (30) days after the last date for which the bid is valid.

**ANNEXURE-II**

**PROFORMA OF BANK GUARANTEE FOR  
CONTRACT PERFORMANCE  
(To be stamped in accordance with Stamp Act)**

Ref. ....

Bank Guarantee No.....

Date.....

To

\_\_\_\_\_,  
\*\*\*,  
.....  
.....

Dear Sirs,

In consideration of.....(hereinafter referred to as the 'Employer' which expression shall unless repugnant to the context or meaning thereof include its successors, administrators and assigns) having awarded to M/s .....with its Registered/Head office at.....(hereinafter referred to as the "Contractor" which expression shall unless repugnant to the context or meaning thereof; include its successors, administrators, executors and assigns), a Contract by issue of Employer's Letter of Award No.....dated and the same having been acknowledged by the Contractor, resulting in a Contract, bearing No..... dated..... valued at for.....(scope of Contract) and the Contractor having agreed to provide a Contract Performance Guarantee for the faithful performance of the entire Contract equivalent to..... \$ ..... (%)..... percentage of the said value of the Contract to the Employer.

We.....

(Name & Address)

having its Head Office at..... (hereinafter referred to as the 'Bank', which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) do hereby guarantee and undertake to pay the Employer on demand any and all monies payable by the Contractor to the extent of ..... as aforesaid at any time upto..... \$\$..... (days/month/year) without any demur, reservation, contest, recourse or protest and/or without any reference to the Contractor.

To be inserted: (\*) Name of State (\*\*) Name of SDA (\*\*\*) Name of Central Public Sector Utility

Any such demand made by the Employer on the Bank shall be conclusive and binding notwithstanding any difference between the Employer and the Contractor or any dispute pending before any Court, Tribunal, Arbitrator or any other authority. The Bank undertakes not to revoke this guarantee during its currency without previous consent of the Employer and further agrees that the guarantee herein contained shall continue to be enforceable till the Employer discharges this guarantee.

The Employer shall have the fullest liberty without affecting in any way the liability of the Bank under this guarantee, from time to time to extend the time for performance of the Contract by the Contractor. The Employer shall have the fullest liberty, without affecting this guarantee, to postpone from time to time the exercise of any powers vested in them or of any right which they might have against the Contractor, and to exercise the same at any time in any manner, and either to enforce or to forbear to enforce any covenants, contained or implied, in the Contract between the Employer and the Contractor or any other course or remedy or security available to the Employer. The Bank shall not be released of its obligations under these presents by any exercise by the Employer of its liberty with reference to the matters aforesaid or any of them or by reason of any other act of omission or commission on the part of the Employer or any other indulgences shown by the Employer or by any other matter or thing whatsoever which under law would, but for this provision have the effect of relieving the Bank.

The Bank also agrees that the Employer at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance without proceeding against the Contractor and notwithstanding any security or other guarantee the Employer may have in relation to the Contractor's liabilities.

Notwithstanding anything contained hereinabove our liability under this guarantee is restricted to .....and it shall remain in force upto and including ..... and shall be extended from time to time for such period (not exceeding one year), as may be desired by M/s ..... on whose behalf this guarantee has been given.

Dated this..... day of..... 20 ..... at. ....

**WITNESS**

.....  
(Signature)

.....  
(Signature)

.....  
(Name)

.....  
(Name)

To be inserted: (\*) Name of State (\*\*) Name of SDA (\*\*\*) Name of Central Public Sector Utility

.....  
(Official Address)

.....  
(Designation with Bank Stamp)  
Attorney as per Power  
of Attorney No. ....

Date.....

\$ This sum shall be fifteen per cent (15 %) of the Contract price.

\$\$ The date will be ninety (90) days after the end of Warranty Period as specified in the Contract.

**NOTE:** The stamp papers of appropriate value shall be purchased in the, name of issuing Bank.

**ANNEXURE-III**

**PROFORMA OF EXTENSION OF BANK GUARANTEE  
(To be stamped in accordance with Stamp Act)**

Ref. ....

Date.....

\_\_\_\_\_,  
\*\*\*,  
.....  
.....

Dear Sirs,

**Sub: Extension of Bank Guarantee No..... for  
Rs.....favouring yourselves, expiring on.....  
on account of M/s..... in respect of Contract No.....  
dated..... (hereinafter called original Bank Guarantee).**

At the request of M/s....., we.....Bank, branch  
office at .....: ..... and having its Head Office at ..... do hereby  
extend our liability under the above-mentioned Guarantee No.....  
dated..... for a further period of ..... years/months from  
..... to expire on ..... Expect as provided above, all other  
terms and conditions of the original Bank Guarantee No ..... dated  
.....shall remain unaltered and binding.

Please treat this as an integral part of the original Bank Guarantee to which it would be  
attached.

Yours Faithfully,

For.....  
Manager/Agent Accountant  
Power of Attorney No.....  
Dated.....

**SEAL OF BANK**

**NOTE:** The non-judicial stamp paper of appropriate value shall be purchased in the  
name of the Bank which has issued the Bank Guarantee.

To be inserted: (\*) Name of State (\*\*) Name of SDA (\*\*\*) Name of Central Public Sector Utility

**ANNEXURE-IV**

**PROFORMA OF LETTER OF UNDERTAKING**  
**(To be submitted by the Bidder along with his Bid)**  
**(To be executed on non-judicial stamp paper of requisite value)**

**Ref.:**

**Date:**

TO

\_\_\_\_\_ <sup>\*\*\*</sup> ,  
.....  
.....

Dear Sir,

1. I\*/We\* have read and examined the following bid documents relating to the ..... (full scope of work).
  - a) Notice Inviting Tender
  - b) Conditions of Contract (Non-IDA Supply-cum-Erection containing Sections Invitation to Bid (INV)", "Instructions to Bidders (INB)", "General Terms & Conditions of Contract (GCC)" and "Erection Conditions of Contract (ECC)").
  - c) Special Conditions of Contract alongwith Annexure.....to.....  
.....
  - d) Drawing Nos.....
  - e) Technical Specification.
  
2. I\*/We\* hereby submit our Bid and undertake to keep our Bid valid for a period of six (6) calendar months from the date of bid i.e. upto..... I\*/We\* hereby further undertake that during the said period I/We shall not vary/alter or revoke my/our Bid.

This undertaking is in consideration of \_\_\_\_\_ <sup>\*\*\*</sup> agreeing to open my/our\* Bid and consider and evaluate the same for the purpose of award of Work in terms of provisions of clause entitled "Award of Contract", Section INB, Conditions of Contract in the Bid Documents.

---

To be inserted: (\*) Name of State (\*\*) Name of SDA (\*\*\*) Name of Central Public Sector Utility



Should this Bid be accepted, \*I/we\* also agree to abide by and fulfill all the terms & conditions of provisions of the above mentioned bid documents.

Signature alongwith Seal of Company

.....

(Duly authorised to sign the Bid on behalf of the Contractor)

Name.....

Designation.....

Name of Company.....

(in Block Letters)

**WITNESS**

Signature.....

Date & Postal Address

Date.....

.....

Name & Address.....

.....

Telephone No .....

Fax No .....

\*Strike out whichever is not applicable.

**ANNEXURE-V**

**PROFORMA OF APPLICATION FOR PAYMENT**

Project :

Equipment package :

Date :

Name of Contractor :

Contract No. :

Contract Value :

Contract Name :

Unit Reference :

Application Serial number

:

To

\_\_\_\_\_ \*\*\*

\_\_\_\_\_

Dear Sir,

**APPLICATION FOR PAYMENT**

Pursuant to the above referred Contract dated .....the undersigned hereby applies for payment of the sum of (Specify amount and currency in which claim is made).

1. The above amount is on account of : [ **TICK** (✓) whichever is applicable]

Initial advance (Schedule \$\$)

Interim payment as advance (Schedule\$\$)

Progressive payment against dispatch of equipment (Schedule\$\$)

Progressive payment against receipt of equipment at site (Schedule\$\$)

Progressive payment against Erection (Schedule\$\$)

To be inserted: (\*) Name of State (\*\*) Name of SDA (\*\*\*) Name of Central Public Sector Utility

Ocean freight & marine insurance (Schedule\$\$)

Inland transportation (Schedule\$\$)

Inland insurance

Price adjustment

Extra work not specified in Contract  
(Ref. Contract change order No .....)

Other (specify)

Final payment (Schedule\$\$)

as detailed in the attached Schedule(s) which form an integral part of this application.

2. The payment claimed is as per item(s) No.(s).....of the payment schedule annexed to the above-mentioned Contract.

3. The application consists of this page, a summary of claim statement (Schedule\$\$), and the following signed schedule.

- 1. ....
- 2. ....
- 3. ....

The following documents are also enclosed

- 1. ....
- 2. ....
- 3. ....

Signature of Contractor/  
Authorised Signatory

Application for payment will be made to 'Engineer' to be designated for this purpose at the time of award of the Contract.

\$\$ Proforma for the Schedules will be mutually discussed and agreed to during the finalisation of the Contract Agreement.

To be inserted: (\*) Name of State (\*\*) Name of SDA (\*\*\*) Name of Central Public Sector Utility

**ANNEXURE –VI**

**PROFORMA OF BANK GUARANTEE FOR ADVANCE PAYMENT  
(To be stamped in accordance with Stamp Act)**

Ref.....

Bank Guarantee No.....

Date.....

\_\_\_\_\_,  
\*\*\*,

Dear Sir,

In consideration of \_\_\_\_\_ \*\*\* (hereinafter referred to as the 'Employer', which expression shall, unless repugnant to the context or meaning thereof include its successors, administrators and assigns) having awarded to M/s.....(hereinafter referred to as the "Contractor" which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns), a Contract by issue of Employer's Letter of Award No.....dated..... and the same having been acknowledged by the Contractor, resulting in a Contract bearing No..... dated valued at..... for..... (scope of work) (hereinafter called the 'Contract') and the Employer having agreed to make an advance payment to the Contractor for performance of the above Contract amounting (in words and figures) as an advance against Bank Guarantee to be furnished by the Contractor.

We..... (Name of the Bank) having its Head Office at(hereinafter referred to as the 'Bank', which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) do hereby guarantee and undertake to pay the Employer, immediately on demand any or, all monies payable by the Contractor to the extent of as aforesaid at any time upto @.....without any demur, reservation, contest, 'recourse or protest and/or without any reference to the Contractor. Any' such demand made by the Employer on the Bank shall be conclusive and binding notwithstanding any difference between the Employer and the Contractor or any dispute pending before any Court, Tribunal, Arbitrator or any other authority. We agree that the guarantee herein contained shall be irrevocable and shall continue to be enforceable till the Employer discharges this guarantee.

The Employer shall have the fullest liberty without affecting in any way the liability of the Bank under this guarantee, from time to time to vary the advance or to extend the time for performance of the Contract by the Contractor. The Employer shall have the fullest liberty without affecting this guarantee, to postpone from time to time the exercise of any powers vested in them or of any right which they might have against the Contractor, and to exercise the same at any time in any manner, and either to enforce or to forbear to enforce any covenants, contained or implied, in the Contract between the Employer and the Contractor or any other course or remedy or security available to the Employer. The Bank shall not be released of its obligations under these presents by any exercise by the Employer of its liberty with reference to the matters aforesaid or any of them or by reason of any other act or forbearance or other acts of omission or commission on the part of the Employer or any

To be inserted: (\*) Name of State (\*\*) Name of SDA (\*\*\*) Name of Central Public Sector Utility

other indulgence shown by the Employer or by any other matter or thing, whatsoever, which under law would, but for this provision have the effect of relieving the Bank.

The Bank also agrees that the Employer at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance without proceeding against the Contractor and notwithstanding any security or other guarantee that the Employer may have in relation to the Contractor's liabilities.

Notwithstanding anything contained hereinabove our liability under this guarantee is limited to..... and it shall remain in force upto and including.....@..... and shall be extended from time to time for such period (not exceeding one year ), as may be desired by M/s..... on whose behalf this guarantee has been given.

Dated this Day of .....at.....

**WITNESS**

.....  
(Signature)

.....  
(Signature)

.....  
(Name)

.....  
(Name)

.....  
(Official Address)

Designation.....

(With Bank Stamp)

Attorney as per Power of Attorney No.....

Dated.....

@ The date will be ninety (90) days after the date of completion of the Contract.

**NOTE:**

The non-judicial stamp papers of appropriate value shall be purchased in the name of Bank, which issues the Bank Guarantee.

**ANNEXURE-VII****PROFORMA OF INDEMNITY BOND TO BE EXECUTED BY THE CONTRACTOR FOR EQUIPMENT HANDED OVER FOR PERFORMANCE OF ITS CONTRACT**

**(Entire Equipment consignment in one lot)  
(On non-Judicial stamp paper of appropriate Value)**

**INDEMNITY BOND**

**THIS INDEMNITY BOND** is made this ..... day of ..... 20 by ..... a Company registered under the Companies Act, 1956/Partnership Firm/Proprietary Concern having its Registered Office at .....(hereinafter called as 'Contractor' or "Obligor" which expression shall include its successors and permitted assigns) in favour of \_\_\_\_\_<sup>\*\*\*</sup>, a Company incorporated under the Companies Act, 1956 having its Registered Office at .....and its project at .....(hereinafter called "-\*\*\*" Which expression shall include its successors and assigns):

WHEREAS<sup>\*\*\*</sup> has awarded to the Contractor a Contract for vide its Letter of Award/Contract No dated and its Amendment No. and Amendment No (applicable when amendments have been issued) (hereinafter called the "Contract") in terms of which -<sup>\*\*\*</sup> is required to hand over various equipment to the Contractor for execution of the Contract.

And WHEREAS by virtue of Clause No .....of the said Contract, the Contractor is required to execute an Indemnity Bond in favor of .....-<sup>\*\*\*</sup> for the Equipment handed over to it by .....-<sup>\*\*\*</sup> for the purpose of performance of the Contract/Erection portion of the Contract (hereinafter called the "Equipment").

NOW THEREFORE, This Indemnity Bond witnesseth as follows:

1. That in consideration of various equipment as mentioned in the Contract, valued at Rs.....(Rupees.....) handed over to the Contractor for the purpose of performance of the Contract, the Contractor hereby undertakes to indemnify and shall keep -<sup>\*\*\*</sup> indemnified, for the full value of the Equipment. The Contractor hereby acknowledges receipt of the Equipment as per dispatch title documents handed over to the Contractor duly endorsed in their favour and detailed in the Schedule appended hereto. It is expressly understood by the Contractor that handing over of the dispatch title documents in respect of the said Equipment duly endorsed by -<sup>\*\*\*</sup> in favour of the Contractor shall be construed as handing over of the Equipment purported to be covered by such title documents and the Contractor shall hold such Equipment in trust as a Trustee for and on behalf of \_\_\_\_\_<sup>\*\*\*</sup>.
2. That the Contractor is obliged and shall remain absolutely responsible for the safe transit/protection and custody of the Equipment at -<sup>\*\*\*</sup> project Site against all risks, whatsoever, till the Equipment are duly used/erected in accordance with the terms of the Contract and the Plant/Package duly erected and commissioned in accordance with the terms of the Contract. is taken over by \_\_\_\_\_<sup>\*\*\*</sup>. The Contractor undertakes to keep \_\_\_\_\_<sup>\*\*\*</sup> harmless against any loss or damage that may be caused to the Equipment.
3. The Contractor undertakes that the Equipment shall be used exclusively for the performance/execution of the Contract strictly in accordance with its terms and conditions and no part of the equipment shall be utilized for any other work or purpose whatsoever. It is clearly understood by the Contractor that nonobservance of the obligations under this Indemnity Bond by the Contractor shall inter-alia

To be inserted: (\*) Name of State (\*\*) Name of SDA (\*\*\*) Name of Central Public Sector Utility

constitute a criminal breach of trust on the part of the Contractor for all intents and purpose including legal/penal consequences. I

4. That \_\_\_\_\_-\*\*\* is and shall remain the exclusive Employer of the Equipment free from all encumbrances, charges or liens of any kind, whatsoever. The Equipment shall at all times be open to inspection and checking by Engineer-in-Charge/Engineer or other employees/agents authorised by him in this regard. Further, \_\_\_\_\_\*\*\* shall always be free at all times to take possession of the Equipment in whatever form the Equipment may be, if in its opinion the Equipment are likely to be endangered, mis-utilised or converted to uses other than those specified in the Contract, by any acts of omission or commission on the part of the Contractor or any other person or on account of any reason, whatsoever, and the Contractor binds himself and undertakes to comply with the direction of demand of \_\_\_\_\_\*\*\* to return the Equipment without any demur or reservation.
  
5. That this indemnity Bond is irrevocable. If at any time any loss or damage occurs to the Equipment or the same or any part thereof is mis-utilised in any manner whatsoever, then the Contractor hereby agrees that the decision of the Engineer-in-Charge/Engineer of -\*\*\* as to assessment of loss or damage to the Equipment shall be final and binding on the Contractor. The Contractor binds itself and undertakes to replace the lost and/or damaged Equipment at its own cost and/or shall pay the amount of loss of - \*\*\* without demur, reservation or protest. This is without prejudice to any other right or remedy that may be available to \_\_\_\_\_\*\*\* against the Contractor under the Contract and under this Indemnity Bond.
  
6. NOW THE CONDITION of this Bond is that if the Contractor shall duly and punctually comply with terms and conditions of this Bond to the satisfaction of \_\_\_\_\_\*\*\*, THEN, the above Bond shall be void, but otherwise, it shall remain in full force and virtue.

IN WITNESS WHEREOF, the Contractor has hereunto set its hand through its authorised representative under the common seal of the Company, the day, month and year first above mentioned.

**SCHEDULE No. 1**

Particulars of the Equipment handed over	Quantity	Particulars of Despatch Title Documents	Value of the Equipment	Signature of Attorney (authorised representative) as a token of receipt
		RR/GR No./ Date of Bill of <u>Lading</u>	Carrier	

For and on behalf of M/s.....

**WITNESS**

- |                   |                  |
|-------------------|------------------|
| 1. Signature..... | Signature.....   |
| 2. Name.....      | Name.....        |
| .....             |                  |
| 3. Address.....   | Designation..... |

To be inserted: (\*) Name of State (\*\*) Name of SDA (\*\*\*) Name of Central Public Sector Utility

Authorised representative\$

2. 1. Signature.....
2. 2. Name..... (Common Seal in case of Company)
3. 3. Address.....

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\$ Indemnity Bonds are to be executed by the authorised person and (i) in case of Contracting Company under common seal of the Company or (ii) having the Power of Attorney issued under common seal of the company with authority to execute Indemnity Bonds, (Hi) In case of (ii), the original Power of Attorney if it is specifically for this Contract or a Photostat copy of the Power of Attorney if it is General Power of Attorney and such documents should be attached to Indemnity Bond.



**ANNEXURE-VIII****PROFORMA OF INDEMNITY BOND TO BE EXECUTED BY THE CONTRACTOR  
FOR THE EQUIPMENT HANDED OVER IN INSTALMENTS FOR PERFORMANCE  
OF ITS CONTRACT**

(On non-judicial stamp paper of appropriate value)

**INDEMNITY BOND**

THIS INDEMNITY BOND is made this .....day of ..... 20 .....by, a Company registered under the Companies Act, 1956/Partnership Firm/Proprietary Concern having its Registered Office at..... (hereinafter called as 'Contractor' or 'Obligor' which expression shall include its successors and permitted assigns) in favour of \_\_\_\_\_-\*\*\*, a Company incorporated under the Companies Act, 1956 having its Registered Office at\_\_\_\_\_ and its project at\_\_\_\_\_(hereinafter called " \_\_\_\_\_\*\*\*" which expression shall include its successors and assigns).

WHEREAS -\*\*\* has awarded to the Contractor a Contract for vide its Letter of Award/Contract.....No. dated and Amendment No..... and Amendment No. .... (applicable when amendments have been issued) (hereinafter called the 'Contract') in terms of Which \_\_\_\_\_\*\*\* is required to hand over various Equipment to the Contractor for execution of the Contract.

AND WHEREAS by virtue of Clause No. .... of the said Contract, the Contractor is required to execute an Indemnity Bond in favour of -\*\*\* for the Equipment handed over to it by \_\_\_\_\_\*\*\* for the purpose of performance of the Contract/Erection portion of the Contract hereinafter called the 'Equipment').

NOW THEREFORE, This Indemnity Bond witnesseth as follows:

1. That in consideration of various Equipment as mentioned in the Contract, valued at Rs.....(Rupees.....) to be handed over to the Contractor in installments from time to time for the purpose of performance of the Contract, the Contractor hereby undertakes to indemnify and shall keep \_\_\_\_\_\*\*\* indemnified, for the full value of the Equipment. The Contractor hereby acknowledges receipt of the initial installment of the equipment as per details in the Schedule appended hereto. Further, the Contractor agrees to acknowledge receipt of the subsequent installments of the Equipment as required by\_\_\_\_\_\*\*\* in the form of Schedules consecutively numbered which shall be attached to this Indemnity Bond so as to form integral parts of this Bond. It is expressly understood by the Contractor that handing over the dispatch title documents in respect of the said Equipment duly endorsed by \_\_\_\_\_-\*\*\* in favour of the Contractor shall be construed as handing over the Equipment purported to be covered by such title documents and the Contractor shall hold such Equipment in trust as a Trustee for and on behalf of -\*\*\*.
2. That the Contractor is obliged and shall remain absolutely responsible for the safe transit/protection and custody of the Equipment at \_\_\_\_\_\*\*\* project Site against all risks, whatsoever, till the Equipment are duly used/erected in accordance with the terms of the Contract and the Plant/Package duly erected and commissioned in

To be inserted: (\*) Name of State (\*\*) Name of SDA (\*\*\*) Name of Central Public Sector Utility

accordance with the terms of the Contract, is taken over by \_\_\_\_\_. The Contractor undertakes to keep \_\_\_\_\_ harmless against any loss or damage that maybe caused to the Equipment.

3. The Contractor undertakes that the Equipment shall be used exclusively for the performance/execution of the Contract strictly in accordance with its terms and conditions and no part of the equipment shall be utilised for any other work or purpose, whatsoever. It is clearly understood by the Contractor that non-observance of the obligations under this Indemnity Bond by the Contractor shall inter-alia constitute a criminal breach of trust on the part of the Contractor for all intents and purpose including legal/penal consequences.
4. That \_\_\_\_\_ is and shall remain the exclusive Employer of the Equipment free from all encumbrances, charges or liens of any kind, whatsoever. The Equipment shall at all times be open to inspection and checking by Engineer-in-Charge/Engineer or other employees/agents authorised by him in this regard. Further, \_\_\_\_\_ shall always be free at all times to take possession of the Equipment in whatever form the Equipment may be, if in its opinion the Equipment are likely to be endangered, misutilised or converted to use other than those specified in the Contract, by any acts of omission or commission on the part of the Contractor or any other person or on account of any reason, whatsoever, and the Contractor binds himself and undertakes to comply with the directions of demand of \_\_\_\_\_ to return the equipment without any demur or reservation.
5. That this Indemnity Bond is irrevocable. If at any time any loss or damage occurs to the Equipment or the same or any part thereof is mis-utilised in any manner whatsoever, then the Contractor hereby agrees that the decision of the Engineer-in-Charge/Engineer of \_\_\_\_\_ as to assessment of loss or damage to the Equipment shall be final and binding on the Contractor. The Contractor binds itself and undertakes to replace the lost and/or damaged Equipment at its own cost and/or shall pay the amount of loss to \_\_\_\_\_ without any demur, reservation or protest. This is without prejudice to any other right or remedy that may be available to \_\_\_\_\_ against the Contractor under the Contract and under this Indemnity Bond.
6. NOW THE CONDITION of this Bond is that if the Contractor shall duly and punctually comply with the terms and conditions of this Bond to the satisfaction of \_\_\_\_\_, THEN above Bond shall be void, but otherwise, it shall remain in full force and virtue.

IN WITNESS WHEREOF, the Contractor has hereunto set its hand through its authorized representative under the common seal of the Company, the day, month and year first above mentioned.

**ANNEXURE-IX**

**PROFORMA OF 'AGREEMENT'  
(To be executed on non-judicial stamp paper)**

This Agreement made this.....day of .....two thousand .....between \_\_\_\_\_<sup>\*\*\*</sup>, a company incorporated under the Companies Act, 1956, having its Registered Office at (hereinafter referred to as the '-\*\*\*' which expression shall include its administrators, successors, executors and permitted assigns) of the one part and M/s....., a company incorporated under the Companies Act, 1956 having its Registered Office at \_\_\_\_\_[hereinafter referred to as the 'Contractor' or "X" (name of the Contracting Co.) which expression shall include its administrators, successors, executors and permitted assigns] of the other part.

WHEREAS \_\_\_\_\_<sup>\*\*\*</sup> desirous of setting up its Transmission System associated with..... invited bids for .....(briefly describe scope of work) against its Bid Specification No. ....

AND WHEREAS ..... '....."X"..... had participated in the above referred bidding vide their Proposal No. .... dated .....and awarded the Contract to ..... "X" ..... on terms and conditions of the documents referred to therein, which have been acknowledged by ..... "X" .....resulting into a "Contract".

**NOW THEREFORE THIS DEED WITNESSETH AS UNDER:**

**1.0 Article**

**1.1 Award of Contract**

.....has awarded the Contract to....."X".....for the work of..... on the terms and conditions contained in its Letter of Award No. dated..... and the documents referred to therein. The award has taken effect from aforesaid Letter of Award. The terms and expressions used in this Agreement shall have the same meaning as are assigned to them in the 'Contract Documents' referred to in the succeeding Article.

**2.0 Contract Documents**

2.1 The Contract shall be performed strictly as per the terms and conditions stipulated herein and in the following documents attached herewith (hereinafter referred to as "Contract Documents").

i) ..... 's Bidding Documents in respect of Specification No. .... issued vide its letter No.....dated.....consisting of Invitation to Bid, Instructions to Bidders, General Terms & Conditions of Contract, Special Conditions of Contract and all other Sections entitled "Conditions of Contract" including all amendments issued vide its letter(s) No. (s).....dated .....

(Volume-I)

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To be inserted: (\*) Name of State (\*\*) Name of SDA (\*\*\*) Name of Central Public Sector Utility

ii) .....s Technical Specifications including Amendments issued vide its Letter No..... dated.....  
(Volume-II)

iii) "X"s Proposal No..... dated.....alongwith Bid Proposal Sheets, Data Requirements, payment terms and Work Schedules submitted by "X" entitled as "....."  
(Volume-III)

iv) Agreed Minutes of the meeting held on ..... between.....and "X".  
(Volume-IV)

v).....s Letter of Award No..... dated ..... Duly acknowledged by "X".  
(Volume-V)

vi) Quality Plans for manufacturing and field activities entitled 'Quality Plan'.  
(Volume-VI)

vii) Contract Network  
(Volume-VII)

All the aforesaid Contract Documents shall form an integral part of this Agreement, in so far as the same or any part conform to the Bidding Documents (Vol. I & II) and what has been specifically agreed to by the \_\_\_\_\_<sup>\*\*\*</sup> in its Letter of Award. Any matter inconsistent therewith, contrary or repugnant thereto or any deviations taken by the Contractor in its Proposal (Vol-III) but not agreed to specifically by the \_\_\_\_\_<sup>\*\*\*</sup> in its Letter of Award shall be deemed to have been withdrawn by the Contractor. For the sake of brevity, this agreement alongwith its aforesaid Contract Documents shall be referred to as the 'Agreement'.

**3.0 Conditions & Covenants**

3.1 The scope of Contract, Consideration, Terms of Payment, Price Adjustment, Taxes wherever applicable, Insurance, Liquidated Damages, Performance Guarantee and all other terms and conditions are contained in \_\_\_\_\_<sup>\*\*\*</sup>'s Letter of Award No..... dated..... read in conjunction with other aforesaid Contract documents. The Contract shall be duly performed by the Contractor strictly and faithfully in accordance with the terms of the Agreement.

3.2 The scope of work shall also include supply and installation of all such items which are not specifically mentioned in the Contract documents, but which are needed for successful, efficient, safe & reliable operation of the equipment unless otherwise specifically excluded in the Specifications under 'Exclusions' or Letter of Award.

**3.3 Time Schedule**

3.3.1 Time is the essence of the Contract and schedules shall be strictly adhered to. 'X' shall perform the work in accordance with the agreed schedule as given in Volume - V & VI of Contract documents [clause 2.1 (v & vi) above].

To be inserted: (\*) Name of State (\*\*) Name of SDA (\*\*\*) Name of Central Public Sector Utility

### 3.4 Quality Plans

3.4.1 The Contractor is responsible for the proper execution of the Quality Plans enclosed in Volume-VI. The work beyond the Customer Inspection Points (CIP) will progress only with the \_\_\_\_\_\*\*'s consent. The \_\_\_\_\_\*\* will also undertake quality 'surveillance and quality audit of the Contractor's/Sub-Contractor's works, systems and procedures and quality control activities. The Contractor further agrees that any change in the Quality Plan will be made only with the Employer's approval. The Contractor shall also perform all quality control activities, inspection and tests agreed with the \_\_\_\_\_\*\* to demonstrate full compliance with the Contract requirements.

3.4.2 The Contractor also agrees to provide the \_\_\_\_\_\*\* with the necessary facilities for carrying out inspection, quality audit and quality surveillance of Contractor's and its Sub-Contractor's Quality Assurance Systems and manufacturing activities.

These shall include but not limited to the following:

- i) Relevant plant standards, drawing and procedures;
- ii) Detailed Quality Assurance System manuals for manufacturing activities,
- iii) Storage procedures and instructions weld, NOT, heat treatment prior to commencement of manufacture;
- iv) Complete set of log sheets (blank) mentioned in the quality plan.

3.4.3 It is expressly agreed to by the Contractor that the quality tests and Inspection by the Employer shall not in any way relieve the Contractor of its responsibilities for quality standards, and performance guarantee and their other obligations under the Agreement.

3.4.4 'X' agrees to submit Quality Assurance Documents package to \_\_\_\_\_\*\* for review and record after completion and within three weeks of dispatch of material.

The package will include the following:

- i) Factory test result/inspection reports for testing required by this Contract or applicable codes and standards;
- ii) Two copies of inspection reports duly signed by Quality Assurance personnel of both \_\_\_\_\_\*\* and 'X' for the agreed Customer Inspection Points;
- iii) Report of the rectification works where and if applicable.

3.5\$ It is expressly agreed to by the Contractor that notwithstanding the fact that the Contract is termed as Supply -cum-Erection Contract or indicates the break -up of the Contract consideration, for convenience of operation and for payment of sales tax on supply portion, it is in fact one composite Contract on single source responsibility basis and the Contractor is bound to perform the total Contract in its entirety and non - performance of any part or portion of the Contract shall be deemed to be a breach of the entire Contract.

3.6 The Contractor guarantees that the equipment supplied under the Contract shall meet the ratings and performance parameters as stipulated in the Technical Specifications (Volume-II) and in the event of any deficiencies found in the requisite performance figures, the \_\_\_\_\_\*\* may at its option reject the equipment package or

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To be inserted:      (\*) Name of State    (\*\*) Name of SDA    (\*\*\*) Name of Central Public Sector Utility

alternatively accept it on the terms and conditions and subject to levy of the liquidated damages in terms of Contract documents. The amount of liquidated damages so leviable shall be in accordance with the Contract documents and without any limitation.

3.7 It is further agreed by the Contractor that the Contract Performance Guarantee shall in no way be construed to limit or restrict the \_\_\_\_\_\*\*'s right to recover the damages/compensation due to short -fall in the equipment performance figures as stated in para 3.6 above or under any other clause of the Agreement. The amount of damages/compensation shall be recoverable either by way of deductions from the Contract price, Contract Performance Guarantee and/or otherwise.

The Contract Performance Guarantee furnished by the Contractor is irrevocable and unconditional and the \_\_\_\_\_\*\* shall have the powers to invoke it notwithstanding any dispute or difference between the Employer and the Contractor pending before any court tribunal, arbitrator or any other authority.

3.8 This Agreement constitutes full and complete understanding between the parties and terms of the presents. It shall supercede any prior correspondence, terms and conditions contained in the Agreement. Any modification of the Agreement shall be effected only by a written instrument signed by the authorised representative of both the parties.

**4.0 SETTLEMENT OF DISPUTES**

4.1 It is specifically agreed by and between the parties that all the differences or disputes arising out of the Agreement or touching the subject matter of the Agreement shall be decided by the process of Settlement & Arbitration as specified in Clause and of the General Terms & Conditions of the Contract and the provisions of the Indian Arbitration Act, 1940 shall apply and Delhi Courts alone shall have exclusive jurisdiction over the same.

**4.2 Notice of Default**

Notice of default given by either party to the other party under Agreement shall be in writing and shall be deemed to have been duly and properly served upon the parties hereto if delivered against acknowledgment or by telex or by registered mail with acknowledgment due addressed to the signatories at the addresses mentioned herein above.

IN WITNESS WHEREOF, the parties through their duly authorised representatives have executed these presents (execution whereof has been approved by the competent authorities of both the parties) on the day, month and year first above mentioned at New Delhi.

**WITNESS:**

- 1. .... ( \_\_\_\_\_\*\*'s signature  
(Printed Name)
- 2. .... (Designation)  
(Company's Stamp)

To be inserted: (\*) Name of State (\*\*) Name of SDA (\*\*\*) Name of Central Public Sector Utility

1. .... (Contractor's signature)  
(Printed Name)
2. .... (Designation)  
(Company's Stamp)

\$ Applicable in case single award is placed on one party on Supply-cum-Erection basis. In case two separate awards are placed on single party/two different parties this clause is to be modified suitably while signing the Contract Agreement to be signed separately for two awards to incorporate cross-fall breach clause.

**SECTION -SCC**  
**SPECIAL CONDITIONS OF CONTRACT**  
**VOLUME-IA**



## SPECIAL CONDITIONS OF CONTRACT

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## **SPECIAL CONDITIONS OF CONTRACT**

### **VOLUME-IA**

#### **1.0 GENERAL INFORMATION**

1.1 \_\_\_\_\_<sup>\*\*\*</sup> (A Government of India Enterprise) incorporated under the Companies Act, 1956, having its Registered Office at (hereinafter called the Employer / \_\_\_\_\_<sup>\*\*\*</sup>) has been entrusted by \_\_\_\_\_<sup>\*\*</sup> (hereinafter called the Owner) with the concurrence of Government of \_\_\_\_\_<sup>\*</sup> for execution of Rural Electrification Works for electrification of villages and rural households in the districts of \_\_\_\_\_<sup>\*</sup>

1.2 \_\_\_\_\_<sup>\*\*\*</sup>, therefore, invites sealed bids for the following packages of Rural Electrification Works in Districts of \_\_\_\_\_<sup>\*</sup> on domestic competitive bidding basis:

*(To be detailed out in accordance with the approved project sanctioned by REG)*

1.3 The project shall be executed by \_\_\_\_\_<sup>\*\*\*</sup> on deposit work basis with funds made available out of the proceeds of the financial assistance received by Government of \_\_\_\_\_<sup>\*</sup> from REC and the Ownership of the aforesaid package shall remain vested with \_\_\_\_\_<sup>\*\*</sup>. All eligible payments against this work shall be made by \_\_\_\_\_<sup>\*\*\*</sup> under suitable arrangement with \_\_\_\_\_<sup>\*\*</sup>.

1.4 "Owner" shall mean \_\_\_\_\_<sup>\*\*</sup>

For the purpose of execution of the Contract, the contractual activities on the part of the 'Owner', wherever context requires so, shall be performed by \_\_\_\_\_<sup>\*\*\*</sup> (the Agency appointed by \_\_\_\_\_<sup>\*\*</sup>) " for and on behalf of \_\_\_\_\_<sup>\*\*\*</sup>" except in case where \_\_\_\_\_<sup>\*\*</sup> itself is statutorily required to do so.

1.5 Wherever reference to \_\_\_\_\_<sup>\*\*\*</sup> is made in the bidding documents, Contract/Notification/Letter of Award (in the event of Award of Contract) or any related papers/documents, it shall be deemed to be "for and on behalf of \_\_\_\_\_<sup>\*\*\*</sup>".

1.6 The contents of Bidding Documents are as indicated under Clause 4.0, Section INB, Conditions of Contract, Volume-I of Bidding Documents. The requirements, conditions, appendices etc., stated in Conditions of Contract (Volume-I), Bid Proposal Sheets (Volume-IB), Technical Specifications (Volume-II) and Technical Data Requirements (Volume-III), shall apply to and shall be considered as part of this Volume (i.e. Volume-IA) as if bound together. In case of any discrepancy between the provisions of this volume and other volumes of the Bidding Documents, the provisions of this volume shall prevail.

1.7 Unless brought out clearly, the Bidder shall be deemed to conform strictly to the provisions of Bidding Documents. Any discrepancy between Specifications and the catalogues of the Bid will not be considered.

1.8 The respective rights of the Employer and Bidders/Contractors shall be governed by the Bidding Documents/Contracts signed between the Employer and the Contractor for the respective packages.

## 2.0 SCOPE OF WORK

2.1 The detailed scope of work covered under the package is specified in the Technical Specifications, Volume-II (TS) and is indicated briefly hereunder:

### 2.1.1 Package:

Design, engineering, testing, supply, erection and commissioning of the following:

*(To be detailed out in accordance with the approved project sanctioned by REG)*

2.2 Before proceeding with the work, the Contractor shall fully familiarise himself with the site conditions. It shall be the responsibility of the Contractor to arrange all inputs required for detailed engineering and execution. The Bidders are advised to visit the site, collect all necessary inputs and acquaint themselves with the topography, infrastructure etc. The Contractor shall be fully responsible for providing all equipment, materials, systems and services specified or otherwise which are required to complete the work and successful testing & commissioning of the Transmission Lines.

## 2.3 SELECTION OF TECHNOLOGY

The DDG projects could be based on either conventional or renewable forms of energy. The choice of technology would depend on the appropriateness of the chosen technology for specific villages / hamlets. Since the DDG projects to be implemented are to be scalable and undertaken within a relatively stiff timeline, options being considered for the proposed guidelines are those that have either reached a stage of commercial maturity or their technical viability is proven under actual field conditions. A list of such options is presented below:

- Diesel Generating sets powered by biofuels (non-edible vegetable oils like Jatropha, Pongamia etc)
- Diesel Generating sets powered by producer gas generated through biomass gasification (100 % producer gas engines).
- Solar Photo Voltaic
- Small Hydro

It may be noted that the above list is based on the technologies that are presently being employed and are the preferred options for decentralized power generation.

There could be additional possibilities as listed below, which are not popular now, but may become relevant in future.

- Diesel Generating sets powered by biogas (from animal waste)
- Wind hybrid systems
- Other hybrid options, including any new technology

Although diesel is the most convenient form of decentralized power generation option, it would be advisable to treat the diesel option as only for standby or under situations where there is temporary disruption in the supply of local renewable energy sources.

2.4 Capital cost# for the proposed bid will comprise of:

- All plant equipment & auxiliary systems and accessories required for the power plant operation
- All associated civil works. Cost for land, however, has to be borne by the state government
- Distribution Network with necessary control equipment. The subsidy applicable to BPL Households under the RGGVY Programme shall also be applicable for DDG Projects. Access to electricity has to be provided for common facilities such as Street light, Schools, Community buildings Panchyat Bhawan etc.
- Initial capital cost for plantation for sustainable supply of bio energy (in case of biomass gasification/bio fuel projects only).
- Initial capital cost of setting up non-domestic loads as specified by the implementing agency.

# For clarification on items not specifically mentioned here the criteria as applied in Rule 79 of GFR, 2005 published by Government of India be relied upon.

2.5 The State Government / Implementing agency will take the necessary steps to get the project registered under the Clean Development Mechanism (CDM)/Voluntary Market to earn Emission Reduction Units. The State Government/ Implementing agency will bear all the transaction costs associated with the CDM/Voluntary market cycle and will retain the rights of the Certified Emission Reductions (CER)/Voluntary Emission Reductions (VER). The project developer will assist the owner and/or any other party appointed by the owner to facilitate this process, in every possible way during the different stages.

2.6 All materials required for the civil works shall be supplied by the Contractor. Cement and steel shall also be supplied by the Contractor.

2.7 All major equipment like power transformers and distribution transformers shall have suitable metallic marking plate securely fixed on the body of the equipment having

inscription "For REC-financed DDG project". All substations and pole-mounted distribution transformers (DTS) shall have suitable identification plate of adequate size indicating the name of the substation, its voltage class, name of the village where located and having inscription "Financed by REC under DDG project".

- 2.8 Any other items not specifically mentioned in the Specifications but which are required for erection, testing, commissioning and satisfactory operation of the Transmission/Distribution Lines are deemed to be included in the scope of the Specifications unless specifically excluded.

### 3.0 **QUALIFYING REQUIREMENTS**

- 3.1 The Qualifying Requirements for the Bidders are given in Annexure-A (SCC) to these Special Conditions of Contract, Vol.-IA.

### 4.0 **PRICES**

- 4.1 The items/equipment/materials/works (referred to as 'items' for the sake of brevity) generally required for completion of the scope of work as per the Technical Specifications (TS), Vol.-11 of Bidding Documents, are described and given in Schedules of Items and Prices (Price Schedules) forming part of Bid Proposal Sheets (BPS), Vol.-IB of Bidding Documents. However, the brief descriptions shall not be construed to limit the scope of work, and the same shall be read in conjunction with corresponding Sections of TS including amendment/errata, if any, thereto.
- 4.2 Bidder shall quote ex-works/ex-factory/ex-showroom (referred to as 'Ex-works') price, as applicable, and transportation and insurance charges separately, for FOR destination site delivery of all the items indicated in the relevant schedules of Bid Proposal Sheets (BPS), Volume-IB. Sales Tax, Excise Duty, Local Taxes, Octroi/Entry tax and other levies, if any, in respect of direct transaction between the Employer and the Contractor under the Contract, shall not be included in the quoted price but shall be indicated separately, wherever applicable, in the BPS. Also, Octroi/Entry tax, if any, in respect of bought-out finished items, which shall be dispatched directly from the Sub-vendor's works to the Employer's site (sale-in-transit), shall not be included in the quoted price but shall be indicated separately, wherever applicable, in BPS.
- 4.3 Bidder shall quote separately, as per relevant Price Schedules of BPS, the charges for erection, testing & commissioning (which shall be inclusive of charges for unloading, handling, storage, insurance etc.) of all items which are to be supplied and/or erected at site and charges of associated civil works as specified in TS. These charges together for all equipment/materials/spares, as applicable, shall be deemed to be included in the 'Erection charges' to be quoted against the items indicated in relevant schedule of BPS. In addition, the cost of all materials required for successful erection, testing and commissioning of the transmission line including the associated civil works, not indicated separately in the schedule of supply items in the BPS but required as per TS, shall be deemed to be included in the 'Erection Charges'.
- 4.4 Bidders shall include the cost of type tests and other tests, to be carried out in line with the Technical Specifications, in the bid price of respective equipment and no

separate charges for any test and service tax on the same shall be payable to the contractor.

- 4.5 Service tax, as reimbursable to the Contractor by -\*\*\*, in terms of the Bidding Documents shall not be included in the quoted price but shall be indicated separately, wherever applicable, in BPS.

## 5.0 PRICE ADJUSTMENT

### 5.1 General

- 5.1.1 The prices for execution of the entire works covered under the scope of this Specification shall be quoted by the Bidder in the manner specified, in the BPS. The Ex-works price component, less advance will be subject to price adjustment, only for equipment / materials / items of work specifically stated under clause 5.2 below, (for which the bidder shall quote a base price), based on separate formulae as per price adjustment provisions given herein:

- 5.1.2 Prices for Ex-works price component for all other equipments/items except specified at clause 5.2 below, Erection Charges, charges for inland freight & insurance etc. shall be FIRM and no price adjustment shall be applicable for these components for the entire duration of the Contract.

- 5.1.3 No price adjustment shall be applicable on the portion of the Contract Price payable to the Contractor as advance payment.

### 5.2 Line Materials

#### (a) For AAAC Conductor:

The price adjustment on the Ex-works price component, less advance, of Conductor shall be as follows:

$$dEC = ECc \left[ 0.80 \times \frac{(A_1 - A_0)}{A_0} + 0.05 \times \frac{(L_1 - L_0)}{L_0} \right]$$

Where,

dECc = Price adjustment amount payable on Ex-works price of Conductor, shipment-wise.

ECc = Ex-works price for Conductor, shipment wise, less advance.

A = Published price indices for EC grade aluminium ingots as published by CACMAI/ Nationally recognized published index acceptable to \_\_\_\_\_  
\*\*\*.

L = All India consumer price index for industrial workers as published by Labour Bureau, Shimla (Govt. of India)

Fixed portion of the ex-works price component shall be 0.15. This shall not be subject to any adjustment.

5.2.1 Price Adjustment for the ex-works price component of the conductor will be without any ceiling.

5.3 In the above price adjustment formulae

Subscript '0' refers to indices as on 30 days prior to date of bid opening (referred to as base date indices),

Subscript '1' refers to indices as on 60 days prior to date of shipment.

5.4 For the purpose of price adjustment for Ex-works price component, the date of shipment for goods shall mean the scheduled date of shipment or actual date of shipment, whichever is earlier. Scheduled date of shipment will be ex-works date of dispatch, governed by the approved Bar Chart.

5.5 No price increase shall be allowed beyond the original delivery dates unless specifically stated in the Time Extension letter, if any, issued by the Employer. The Employer will, however, be entitled to any decrease in the Contract price which may be caused due to lower price adjustment amount in case of delivery beyond the original delivery dates. Therefore, in case of delivery of goods beyond the original delivery dates, the liability of the Employer shall be limited to the lower of the price adjustment amount which may be worked out either on scheduled date or actual date of dispatch of goods.

5.6 In case of non-publication of applicable indices on a particular date, which happens to be the applicable date for price adjustment purposes, the published indices prevailing immediately prior to the particular date shall be applicable.

5.7 If the price adjustment amount works out to be positive, the same is payable to the Contractor by the Employer and if it works out to be negative, the same is to be recovered by the Employer from the Contractor.

5.8 The Contractor shall promptly submit the price adjustment invoices for the supplies made/works done, positively within three (3) months from the date of shipment/work done whether it is positive or negative.

5.9 Bids shall conform to the price adjustment provisions detailed above. Bids specifying prices for items mentioned at 5.1.2 on variable basis run the risk of rejection. A bid submitted on a fixed price basis will not be rejected but the price adjustment will be treated as zero.

## 6.0 TAXES & DUTIES

6.1 Taxes and duties shall be governed by Clause 14.0, Section INB and Clause 16.0, Section GCC, Volume-I of the Bidding documents.

6.2 The statutory deduction of taxes and duties at source, related to these works, shall be done by \_\_\_\_\_\*\* on behalf of \_\_\_\_\_\*\*. TDS so deducted shall be deposited with the relevant tax Authorities & TDS certificates shall be issued by \_\_\_\_\_\*\* on behalf of \_\_\_\_\_\*\* using their Permanent NC number & TDS NC number. Relevant challans and copies of TDS certificates shall be forwarded to \_\_\_\_\_\*\* for filing the necessary returns.

## 7.0 BASIS OF EVALUATION & COMPARISON

7.1 The Project Developer shall implement the project on Build, Operate, Maintain & Transfer (BOMT) basis for a period of 5 years. The plant will be handed over to the State Government in working condition after 5 years. All the replaced parts will be handed over to the State Government.

7.2 Consultant while preparing DPR, shall estimate the capacity of the project and shall also estimate the electricity load and energy required to be generated for five years from the date of commissioning. While computing the load, provision of 2 light points (11/18 W each) and one socket (40 W) may be considered for each household, unless the households demand differently.

7.3 Project Developer shall be responsible for collecting the tariff from villagers.

7.4 Selection of the Project developer shall be on the basis of tenders which will be called by the Implementing agencies in two parts, one part covering capital cost (as per 12.1 (a) above) and another covering cost of providing power for five years (as per 12.1 (b) above). The reimbursement of gap between operation and maintenance cost and revenue recovery to the project developer (after adjusting the collected tariff) will be paid out of service charges of the Implementing Agencies (@ 8% for State Governments & 9% for CPSUs). The second part bid can not exceed the service charges mentioned above. Only those state governments which undertake to provide the service charges to the project developer will be eligible for taking up the DDG Projects. The tenders will be evaluated jointly for both the parts i.e. for the First part and the Second part taken together for 5 years. A tripartite agreement will be signed between SREDA/State Utility/State Energy Deptt. and REC on behalf of the Ministry of Power and the Project Developer for agreeing to the commitments and conditions of RGGVY-DDG sub component. This tripartite agreement will be approved by Ministry of Power. As part of agreement (a) the project developer will be authorized to collect tariff in project area and (b) the state government will agree to reimburse the gap between O&M expenditure and revenue income from out of the service charges of implementing agencies to the project developer.

7.5 Conditional discounts/rebates, if any, offered by the bidder shall not be taken into consideration for evaluation. It shall, however, be considered in case of award.

7.6 Bid stipulating commissioning dates beyond that specified under the Clause 10.0 titled "Work Schedule" in this Volume run the risk of rejection.

7.7 The prices of all such item(s) against which bidder has not quoted rates/amount (viz. items left blank or against which '-' is indicated) in the schedules will be deemed to have been included in other item(s).



## 7.8 Particulars, Performance & Efficiency of Equipment/ Materials

- (a) Bidder shall state the guaranteed technical particulars, performance or efficiency of different equipment/ materials in response to the Technical Specifications. Goods offered shall have minimum acceptable particulars/ performance/efficiency specified in Technical Specification to be considered responsive, otherwise the Bids may be rejected.
- (b) For the purpose of evaluation, the adjustment on the basis of per watt differential loss in Rupees indicated in Clause 13.0 below, will be added to the Bid Price.

## 8.0 TERMS OF PAYMENT

The payment to the Contractor under the contract will be made by the Employer in line with Clause 34.0, Section GCC, Vol.-1 and as per the guidelines and conditions specified hereunder. All payments made during the contract will be on on-account payment purpose only.

### 8.1 Ex-works price component of the equipment & materials shall be paid as below:

- (i) Advance Payment: Fifteen percent (15%) of the Ex-works price component shall be paid as an initial advance on presentation of the following:
  - (a) Acknowledgement of the Letter of Award by the Contractor. (b) Contractor's detailed invoice.
  - (c) An unconditional & irrevocable Bank Guarantee for the equivalent amount of advance in accordance with the provisions of Clause 34.7.1 (i)(b), Section-GCC, Volume-I and as per proforma attached with Section-Annex of Vol.-1 (Conditions of Contract). The said Bank Guarantee shall be initially valid upto the end of ninety (90) days after the scheduled date for successful completion of commissioning and shall be extended from time to time until ninety (90) days beyond the actual date of successful completion of commissioning, as may be required under the Contract.
  - (d) An unconditional & irrevocable Bank Guarantee for ten percent (10%) of the Capital Cost ( as defined in SCC volume 1A section 2.4) towards Contract Performance Guarantee (CPG) in accordance with the provisions of Clause 41.0, Section INB and Clause 11.0 below and as per proforma attached with Section-Annex of Vol.-1 (Conditions of Contract). The said bank guarantee shall be valid for a period of 2 years which is to be renewed till 5 years plus 6 months from the date of commissioning.
  - (e) Detailed PERT Network/Bar chart and its approval by the Employer.

- (ii) On shipment: Fifty five percent (55%) of the Ex-works price component shall be paid on successful completion of inspection and testing of the materials/items and on submission of documents indicated herein under:
- (a) Evidence of dispatch (R/R or receipted L/R)
  - (b) Contractor's detailed invoice & packing list identifying contents of each shipment.
  - (c) Insurance policy/certificate
  - (d) Manufacturer's/Contractor's guarantee certificate of Quality.
  - (e) Material Inspection Clearance Certificate (MICC) for dispatch issued by the Employer's representative and the Contractor's factory inspection report.
  - (f) Test certificate
- (iii) Final Payment:

The balance 30% (thirty percent) of the erection price component shall be paid over the 5 year period (@ 6% per annum) after the successful functioning of the DDG unit as defined under contract performance guarantee.

## 8.2 Inland Transportation & Insurance Charges

Inland transportation and insurance charges shall be paid to the Contractor on pro-rata basis, as per the unit rates indicated in the Letter of Award, after receipt of materials/items at site and on presentation of the invoices alongwith supporting documents by the Contractor. However, these charges will be subject to a limitation that the aggregate of all invoices does not exceed the total amount indicated in the Letter of Award.

## 8.3 Erection Price Component (including Civil Works):

- i) An advance of 10% (ten) of the total erection price shall be paid as initial advance subject to conditions stipulated in Clause 34.7.1 (ii) of Section GCC (Vol.-I) and the following:
- (a) Submission of detailed invoice for advance payment.
  - (b) Establishment of Contractor's site offices, commencement of stub setting work, and certification by Engineer that satisfactory mobilization for erection exists.
  - (c) Submission of an unconditional & irrevocable Bank Guarantee in favour of \_\_\_\_\_<sup>\*\*\*</sup> for the equivalent amount of advance in accordance with Clause 34.7.1 (ii) (b), Sec.-GCC, Vol.-1 of bidding documents and as per proforma attached with Section-Annex of Vol.-1 (Conditions of Contract). The said Bank Guarantee shall be initially valid upto the end of ninety (90) days after the scheduled date for successful completion of commissioning and shall be extended from time to time until ninety (90) days beyond the actual date of successful completion of commissioning, as may be required under the Contract.

- (d) An unconditional & irrevocable Bank Guarantee for ten percent (10%) of the Capital Cost (as defined in SCC volume 1A section 2.4) towards Contract Performance Guarantee (CPG) in accordance with the provisions of Clause 41.0, Section INB and Clause 11.0 below and as per proforma attached with Section-Annex of Vol.-1 (Conditions of Contract). The said bank guarantee shall be valid for a period of 2 years which is to be renewed till 5 years plus 6 months from the date of commissioning
- ii) 60%(Sixty Percent) of the capital cost excluding cost of providing power as stated above till commissioning of the project, linked to project completion milestones.
- iii) The balance 30% (thirty percent) of the erection price component shall be paid over the 5 year period (@ 6% per annum) after the successful functioning of the DDG unit as defined under contract performance guarantee.
- 8.4 'Commissioning' for the purpose of payments shall mean satisfactory completion of all supplies, erection, commissioning checks and successful completion of all site tests and continuous energisation of the equipment/ materials at rated voltage as per the Contract and to the satisfaction/approval of the Employer.

#### 8.5 **Payment towards Taxes and Duties**

Taxes and duties, applicable as per Indian Tax laws, in respect of direct transaction between \_\_\_\_<sup>\*\*\*</sup> and the Contractor, and to be reimbursed by \_\_\_\_<sup>\*\*\*</sup> (for and on behalf of \_\_\_\_<sup>\*\*</sup>) as per the Contract, will be reimbursed after each shipment against documentary evidence. Entry tax/octroi, to be reimbursed by \_\_\_\_<sup>\*\*\*</sup> (for and on behalf of \_\_\_\_<sup>\*\*</sup>) as per Contract, will be reimbursed after receipt of goods at site destination. Service tax, wherever reimbursable as per contract, will be reimbursed after the services are performed. Payment towards taxes & duties shall be released by -<sup>\*\*\*</sup> directly to the Contractor against invoices alongwith documentary evidence, to be submitted by the Contractor as specified in the Contract.

#### 8.6 **Payment towards Price adjustment**

- 8.6.1 Any variation in Contract Price due to Price Adjustment provision of Clause 5.0 above shall be effected on presentation of invoice supported by calculations as per formula specified therein along with documentary evidence for different indices applicable for Price Adjustment.
- 8.6.2 Any increase in Contract Price due to price adjustment provision as per Clause 5.0 above shall be payable as follows:

For supply of conductor, ninety percent (90%) of the price adjustment amount for the respective shipment shall be paid on receipt of said shipment at site and balance ten percent (10%) shall be payable alongwith final payment mentioned at Clause 9.1.1 (iii) above.

8.6.3 Any reduction in Contract Price due to price adjustment provision as per Clause 5.0 above shall be effected by recovering 100% of the reduction amount from any of the Contractor's invoices falling immediately due for payment or any other payments.

## 8.7 Mode of Payment

8.7.1 Payments shall be made promptly by the Employer within thirty (30) days of receipt of Contractor's invoice, complete in all respects and supported by the requisite documents and fulfillment of stipulated conditions, if any. All the payment shall be released to the Contractor directly.

8.7.2 All invoices under the Contract shall be raised by the Contractor on " \_\_\_\_\_\*\* acting through \_\_\_\_\_\*\*\*" and all payments shall be made to the Contractor by \_\_\_\_\_\*\*\* on behalf of \*\*

8.8 In case the Contract is awarded on a joint venture, the Advance Bank Guarantees as well as Contract Performance Guarantees referred above, shall be in the name of the Joint Venture covering all the partners of the Joint Venture and not in the name of the Lead Partner or any partner(s) of the Joint Venture alone.

## 9.0 QUANTITY VARIATION

9.1 The quantity of all equipment/materials given in the Bid Proposal Sheets, Volume- IB of the bidding documents is provisional. The variation in quantity shall be limited to fifty percent (50%) for the individual items and the total variations in all such items under the contract shall be limited to twenty percent (20%) of the contract price. For quantity variation of the individual items beyond fifty percent (50%), the matter shall be referred to the competent authority of the implementing agency. The Contractor shall be responsible for supply and execution of such final quantities for completion of the transmission line(s) and they shall be paid for such finalized quantity at the unit rate indicated in the Letter of Award.

## 10.0 WORK SCHEDULE

10.1 The Bidder shall include in his proposal his programme for furnishing and erecting the **equipments covered under the package**. The programme shall be in the form of a bar chart/master network identifying key phases in various areas of total work like procurement of raw material/bought out items/components, manufacturing, type testing, supply of materials and field activities such as foundation, erection, stringing etc. and testing & commissioning of the transmission lines/ distribution transformers/ service connections, so as to achieve erection, testing & commissioning of all equipments/ materials under each of the Package within **15 (fifteen)** months from the date of Letter of Award.

10.2 The schedule shall be reckoned from the date of issue of Letter of Award. Within 15 (fifteen) days of issuance of Letter of Award, Contractor shall submit Bar Chart/PERT Network conforming to the delivery/erection dates mentioned in Letter of Award for review and approval. After approval of Bar Chart/ PERT Network, one reproducible with sufficient number of prints as desired by \_\_\_\_\_\*\*\* shall be submitted.

- 10.3 The provisions of liquidated damages leviable in case of delay in completion pursuant to clause 12.0 below shall become effective after the period mentioned above for successful completion of testing and commissioning.

#### 11.0 **CONTRACT PERFORMANCE GUARANTEE**

- 11.1 The successful bidder shall be required to furnish to \_\_\_<sup>\*\*\*</sup> a Contract Performance Guarantee (CPG) for ten percent (10%) of the Capital Cost ( as defined in SCC volume 1A section 2.4)as per conditions stipulated in Clause No. 41.0, Section INB of Vol.- I, and Clause No. 32.0, Section-GCC, of Volume-I, which shall be extended from time to time till 90 (ninety) days beyond the actual date of successful completion of warranty period, as may be required under the Contract. The bid guarantee shall be kept valid by the successful bidder for a period of 2 years which is to be renewed till 5 years plus 6 months from date of commissioning.

#### 12.0 **LIQUIDATED DAMAGES FOR DELAY IN COMPLETION**

- 12.1 If the Contractor fails to perform the work within the specified period given in the Letter of Award or any extension granted thereof, with respect to successful completion of testing & commissioning of transmission line/ distribution transformer/ service connections, the Contractor shall pay to \_\_\_<sup>\*\*\*</sup> as liquidated damages and not as penalty, a sum of half percent (0.5%) of the Contract price for each calendar week of delay or part. However, the amount of liquidated damages for the Contract shall be limited to a maximum of five percent (5%) of the total Contract price.

#### 13.0 **FUNCTIONAL GUARANTEES, LIQUIDATED DAMAGES FOR NON-PERFORMANCE (APPLICABLE FOR DISTRIBUTION TRANSFORMER).**

- 13.1 The successful developer shall be responsible for supplying the required quantum of power for 6-8 hours of electricity per day at the identified timings as per the contract, at least for 25 days in a month, failing which, the developer shall pay Liquidated Damages (LD) at the rate of the 10% of the charges for the short supplied power. This amount may be deducted from the yearly payments to the project developer.
- 13.2 The project developer is responsible for providing training /capacity building to villagers for running the power plant.
- 13.3 After 5 years, Implementing Agencies will have the option to take over the project or handover the project to the same agency or any other agency as approved by the State Government for running the project, either on negotiated rate basis or limited or open tender basis.
- 13.4 If grid power reaches the village before 5 years then the power produced from the DDG project can be exported to the grid and imported from the grid, as and when required.
- 13.5 The Project Developer's will be permitted to mobilize additional support/funds from other sources for implementing the DDG projects.

- 13.6 For sustainability of DDG projects, it is important to go beyond lighting and Consultants preparing DPRs shall also include some non-domestic / productive work that would help in the overall development of these villages.
- 13.7 For DDG projects, a flat rate in terms of money to be paid / light point / month is a more practical way of setting the tariff than the classical sale of electricity/kWh. The concerned Implementing Agency will issue guidelines for electricity charges to the project developers.

#### 14.0 **POWER, WATER & COMMUNICATION**

The Contractor shall make his own arrangements for power, water, telephone and other facilities necessary for the construction/erection of transmission line at his own cost.

#### 15.0 **LAND FOR CONTRACTOR'S OFFICE, STORE, WORKSHOP ETC.**

The Contractor shall make his own arrangement for land for construction of his field office, workshop, stores, magazines for explosives in isolated locations, assembling yard, etc. as required for execution of the Contract at his own cost. Implementing Agencies shall:

- i) Assist in land acquisition and execution of the Scheme
- ii) Help Project Developers in community mobilization and in creating awareness about DDGs and on the efficient and safe use of equipments.

#### 16.0 **PROGRESS REPORTS**

- 16.1 During execution of the Contract, the Contractor shall furnish monthly progress reports to \_\_\_\_\_<sup>\*\*\*</sup> in a format as specified by \_\_\_\_\_<sup>\*\*\*</sup>, indicating the progress achieved during the month, and total progress upto the month against scheduled and anticipated completion dates in respect of activities covered in programmes/schedules referred to above. If called for by \_\_\_\_\_<sup>\*\*\*</sup>, Contractor shall also furnish to \_\_\_\_\_<sup>\*\*\*</sup> resources data in a specified format and time schedule. The Contractor shall also furnish any other information that is necessary to ascertain progress, if called for by \_\_\_\_\_<sup>\*\*\*</sup>.

#### 17.0 **SURPLUS MATERIALS**

- 17.1 On completion of the works all such materials supplied by \_\_\_\_\_<sup>\*\*\*</sup>, if any, for erection, that remain unutilized shall be returned to the Engineer by and at the expense of the Contractor in \_\_\_\_\_<sup>\*\*\*</sup>'s store(s), except for the wastage allowed for various line materials in accordance with provision of the relevant clause.
- 17.2 The Contractor, within two (2) months from the taking over of the equipment materials under the package, shall return and account for the surplus materials, failing which necessary recoveries will be made from the outstanding bills of the Contractor for the cost of the materials left unaccounted as decided by the Engineer.

**18.0 LATENT DEFECT WARRANTY**

18.1 The period of latent defect warranty in terms of clause 15.0, Section GCC, Volume-I shall be limited to 10 years from the date of expiry of Guarantee Period.

**19.0 FIRST AID**

19.1 To deal with emergency/accidental eventualities at works site, the Contractor shall make all such arrangements necessary, such as services of an ambulance etc. for transportation to hospital at his own cost.

**20.0 SUBMISSION OF BIDS**

20.1 The bid shall be submitted by the bidders as per Clause 24.0 of Section-INB of Vol.-1 and as indicated in the Invitation to Bid (INV). However, the bidders are required to prepare and submit only three copies of the bid (i.e., one original and two copies) and qualifying data, clearly marked "Original Bid" and "Copy of Bid".

**21.0 BID GUARANTEE**

21.1 A Bid Guarantee in a separate sealed cover, shall accompany the Bid in original and two copies of the original, separately for each package, for the amount indicated below, in a manner as set forth in clause 22.0 Sec.-INB, Vol.-I:

Package	Amount

21.2 Any Bid not accompanied by a Bid Guarantee as set forth in Clause 22.0, Section INB, Vol.-1 and hereinabove shall not be accepted and shall be returned without being opened.

**21.3 In case the bid is submitted by a joint venture, the Bid Guarantee shall be in the name of the Joint Venture covering all the partners of the Joint Venture and not in the name of the Lead Partner or any partner(s) of the Joint Venture alone.**

**ANNEXURE-A (SCC)****QUALIFICATION OF THE BIDDER**

Qualification of bidder will be based on meeting the minimum pass/fail criteria specified in Part-A below regarding the Bidder's technical experience, manufacturing/construction facilities and financial position as demonstrated by the Bidder's responses in the corresponding Bid Schedules. The bidder shall also be required to furnish the information specified in Part-B in their Bid. Subcontractors' technical experience and financial resources shall not be taken into account in determining the Bidder's compliance with the qualifying criteria. The bid can be submitted by an individual firm or by consortium.

Notwithstanding anything stated hereinabove, the Employer reserves the right to assess the capacity and capability of the bidder, should the circumstances warrant such assessment in an overall interest of the Employer. \_\_\_\_\_\*\*\* reserves the right to waive minor deviations if they do not materially affect the capability of the Bidder to perform the contract.

**1.0 PART-A**

- 1.1 Average Annual financial turnover during the last 3 years, ending 31<sup>st</sup> March of the previous financial year, should be at least 30% of the estimated cost.
- 1.2 Experience of having successfully completed similar works during last 7 years ending last day of month previous to the one in which applications are invited should be either of the following: -
- a) Three similar completed works costing not less than the amount equal to 40% of the estimated cost.
  - or
  - b) Two similar completed works costing not less than the amount equal to 50% of the estimated cost.
  - or
  - c) One similar completed work costing not less than the amount equal to 80% of the estimated cost.
- 1.3 Bids may be submitted by individual firms or joint venture of firms as one of the following:
- a) A single firm that meets all the qualification requirements set forth in para 1.1 of Part-A above.
  - b) A Joint Venture of firms wherein anyone of the partners should meet qualification requirements set forth in para 1.1& 1.2 of Part-A above.
- 1.4 The figures for each of the partner of the joint venture shall be added together to determine the bidder's compliance with the minimum qualifying criteria set out in para 1.3 (a) & (b) of Part-A above; however in order for a joint venture to qualify, the partner(s) of joint venture must meet the following minimum criteria:
- i) The lead partner shall meet, not less than 40% of the minimum criteria given at Para 1.3 (A) & (b) of Part-A.



- ii) Each of the other partner(s) shall meet not less than 25% of the criteria given at Para 1.3 (a) & (b) of Part-A above.

Failure to comply with this requirement will result in rejection of the joint venture's bid. Sub contractors' experience and resources shall not be taken into account in determining the bidder's compliance with qualifying criteria.

- 1.5 (a) One of the partners shall be nominated as lead partner, and the lead partner shall be authorized to incur liabilities and receive instruction for and on behalf of any and all partner of the joint venture and the entire execution of the contract including receipt of payment shall be done exclusively through the lead partner. This authorization shall be evidenced by submitting a power of attorney signed by legally authorized signatories of all the partners as per Performa in section "Annexure" of special condition of contract-Vol.-IA.
- (b) All partner of the joint venture shall be liable jointly and severally for the execution of the contract in accordance with the contract terms and a copy of the agreement entered into by the joint venture partners having such a provision shall be submitted with the bid.

A statement to this effect shall be included in the authorization mentioned under (a) above as well as in the Bid Form and in the Contract Form (in case of a successful bid);

## 2.0 **PART-B**

- 2.1 The Bidder shall also furnish following documents/details with its bid.

The complete annual reports together with Audited statement of accounts of the company for last five years of its own (separate) immediately preceding the date of submission of bid.

Note:

- I. In the event the bidder is not able to furnish the information of its own (i.e. separate), being a subsidiary company and its accounts are being consolidated with its group/holding/parent company, the bidder should submit the audited balance sheets, income statements, other information pertaining to it only (not of its group/Holding/Parent Company) duly certified by anyone of the authority [(i) Statutory Auditor of the bidder /(ii) Company Secretary of the bidder or (iii) A certified Public Accountant] certifying that such information/documents are based on the audited accounts as the case may be.
- II. Similarly, if the bidder happens to be a Group/Holding/Parent Company, the bidder should submit the above documents/information of its own (i.e. exclusive of its subsidiaries) duly certified by anyone of the authority mentioned in Note-I above certifying that these information/documents are based on the audited accounts, as the case may be.

**2.2 Litigation History:**

The bidder should provide detailed information on any litigation or arbitration arising out of contracts completed or under execution by it over the last five years. A consistent history of awards involving litigation against the Bidder or any partner of JV may result in rejection of Bid.

- 3.0 Notwithstanding anything stated hereinabove, the Employer reserves the right to access the capacity and capability of the bidder, should the circumstances warrant such assessment in an overall interest of the Employer. The Employer reserves the right to waive minor deviations if they do not materially affect the capability of the Bidder to perform the contract.

**ANNEXURE-B (SCC)****PROFORMA OF JOINT UNDERTAKING BY MANUFACTURER ALONGWITH THE BIDDER/CONTRACTOR****NON-JUDICIAL STAMP PAPER OF APPROPRIATE VALUE**

THIS DEED OF UNDERTAKING executed this .....day of Two Thousand and .....by....., a Company incorporated under the laws of and having its Registered Office at ..... (hereinafter called the "Manufacturer" which expression shall include its successors, executors and permitted assigns), and a Company incorporated under the laws of .....having its Registered Office at (hereinafter called the "Bidder"/'Contractor" which expression shall include its successors, executors and permitted/assigns) in favour of \_\_\_\_\_<sup>\*\*\*</sup>, having its Registered Office at \_\_\_\_\_(hereinafter called the "Employer" which expression shall include its successors, executors and permitted assigns).

WHEREAS the "Employer" invited Bid as per its Specification No for the manufacture, fabrication, supply of tower parts as per Employer design, Casting of foundation, erection of all type of towers, stringing of conductor and earth wire, testing and commissioning of Transmission line of execution of .....Transmission Line.

AND WHEREAS Clause No....., Section....., of..... , Vol..... forming part of the Bid Documents inter-alia stipulates that the Bidder alongwith Manufacturer must fulfill the Qualifying Requirements and be jointly and severally bound and responsible for the quality and timely supply of tower parts in the event the Bid submitted by the Bidder is accepted by the Employer resulting in a Contract.

AND WHEREAS the Bidder has submitted its Bid to the Employer vide Proposal No dated based on tie up with the Manufacturer for supply of tower parts.

NOW THEREFORE THIS UNDERTAKING WITNESSTH as under:

- 1.0 In consideration of the award of Contract by the Employer to the Bidder (hereinafter referred to as the "Contract") we, the Manufacturer and the Bidder/Contractor do hereby declare that we shall be jointly and severally bound unto \_\_\_\_\_<sup>\*\*\*</sup>, for the manufacture, testing, supply of tower parts on FOR destination delivery at site basis in accordance with the Contract Specifications.
- 2.0 Without in any way affecting the generality and total responsibility in terms of this Deed of Undertaking, the Manufacturer hereby agrees to depute their representatives from time to time to the Employer's Project site as mutually considered necessary by the Employer, Bidder/Contractor and the Manufacturer to ensure proper quality, manufacture, testing and supply on FOR destination delivery at site basis and successful performance of the material in accordance with Contract Specifications. Further, if the Employer suffers any loss or damage on account of nonperformance of the material (tower parts) fully meeting the performance guaranteed as per Bid Specification in terms of the contract. We the Manufacturer and the Contractor jointly and severally undertake to pay such loss or damages to the Employer on its demand without any demur.

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To be inserted: (\*) Name of State (\*\*\*) Name of SDA (\*\*\*\*) Name of Central Public Sector Utility

- 3.0 This Deed of Undertaking shall be construed and interpreted in accordance with the laws of India and the Courts in Delhi shall have exclusive jurisdiction in all matters arising under the Undertaking.
- 4.0 As a security, the 'Manufacturer shall apart from the Contractor's performance guarantee of 15% of the contract price, furnish a Contract Performance Guarantee from its Bank in favour of the Employer in a form acceptable to the Employer. The value of such guarantee shall be equivalent to 2% of the cost of tower parts to be supplied by the Manufacturer as identified in the Contract awarded by the Employer to the Bidder/Contractor and it shall be part of guarantee towards the faithful performance/compliance of this Deed of Undertaking in terms of the Contract. The guarantee shall be unconditional, irrevocable and valid for the entire period of the Contract, namely till the end of the warranty period under the Contract. The Bank Guarantee amount shall be payable to the Employer on demand without any reservation or demur.
- 5.0 We, the Manufacture/Bidder/Contractor agree that this Undertaking shall be irrevocable and shall form an integral part of the Contract and further agree that this Undertaking shall continue to be enforceable till the Employer discharges it. It shall become operative from the effective date of Contract.

IN WITNESS WHEREOF the Manufacturer and the Bidder/Contractor have through their Authorised Representatives executed these presents and affixed

Common seals of their respective Companies on the day, month and year first above mentioned.

**WITNESS**

**For Manufacturer**

1. .... (Signature) (Name in Block Letter) (Office Address)	Signature of Authorised Representative Name..... Common Seal of Company .....
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**For Bidder**

2. .... (Signature) (Name in Block Letter)	Signature of Authorised Representative Name (Office Address) Common Seal of Company
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To be inserted: (\*) Name of State (\*\*) Name of SDA (\*\*\*) Name of Central Public Sector Utility

Note

- (i) The Deed of Joint Undertaking shall be attested by Notary Public of the place(s) of the respective executant( s).
- (ii) In case the bid is submitted by a Joint Venture (JV) of two or more firms as partners, then the Joint deed of undertaking shall be modified accordingly.

**ANNEXURE-C (SCC)**

**FORMAT FOR EVIDENCE OF ACCESS TO OR AVAILABILITY OF  
CREDIT/FACILITIES**

**BANK CERTIFICATE**

This is to certify that M/s..... (Full Name & Address)..... , who are submitting their bid to..... against their tender specification vide ref. No..... & date ..... is our Customer for the past ..... years.

Their financial transactions with our Bank have been satisfactory. They enjoy the following fund based and non fund based limits including for guarantees, L/C and other credit facilities with us against which the extent of utilization as on date is also indicated below:

<b>SL. NO</b>	<b>TYPE OF FACILITY</b>	<b>SANCTIONED LIMIT AS ON DATE</b>	<b>UTILISATION AS ON DATE</b>

This letter is issued at the request of M/s.....

Sd/-  
 Name of Bank .....  
 Name of Authorised Signatory.....  
 Designation.....  
 Phone No. ....  
 Address.....

SEAL OF THE BANK

**ANNEXURE-D (SCC)**

**FORM OF POWER OF ATTORNEY FOR JOINT VENTURE**

**(On Non-judicial Stamp Paper of Appropriate value to be purchased in the Name of Joint Venture)**

KNOW ALL MEN BY THESE PRESENTS THAT WE, the Partners whose details are given hereunder..... have formed a Joint Venture under the laws of..... and having our Registered Office(s)/Head Office(s) at .....(hereinafter called the 'Joint Venture' which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators and assigns) acting through M/s..... being the Partner in-charge do hereby constitute, nominate and appoint M/s..... a Company incorporated under the laws of and having its Registered/Head Office at .....as our duly constituted lawful Attorney (hereinafter called "Attorney" or" Authorised Representative" or "Partner in-charge") to exercise all or any of the powers for and on behalf of the Joint Venture in regard to Specification No..... for Construction of .....Package of \_\_\_\_\_\*\*\* (hereinafter called the "Employer") and the bids for which have been invited by the Employer, to undertake the following acts:

- i) To submit proposal and participate in the aforesaid Bid Specification of the Employer on behalf of the "Joint Venture".
- ii) To negotiate with the Employer the terms and conditions for award of the Contract pursuant to the aforesaid Bid and to sign the Contract with the Employer for and on behalf of the "Joint Venture".
- iii) To do any other act or submit any document related to the above.
- iv) To receive, accept and execute the Contract for and on behalf of the "Joint Venture".

It is clearly understood that the Partner in-charge (Lead Partner) shall ensure performance of the Contract(s) and if one or more Partner fail to perform their respective portion of the Contract(s), the same shall be deemed to be a default by all the Partners.

It is expressly understood that this Power of Attorney shall remain valid binding and irrevocable till completion of the Defect Liability Period in terms of the Contract. .

The Joint Venture hereby agrees and undertakes to ratify and confirm all the whatsoever the said Attorney / Authorised Representative/Partner in-charge quotes in the bid, negotiates and signs the Contract with the Employer and/or proposes to act on behalf of the Joint Venture by virtue of this Power of Attorney and the same shall bind the Joint Venture as if done by itself.

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To be inserted: (\*) Name of State (\*\*) Name of SDA (\*\*\*) Name of Central Public Sector Utility

IN WITNESS THEREOF the Partners Constituting the Joint Venture as aforesaid have executed these presents on this .....day of .....under the Common Seal(s) of their Companies.

for and on behalf of  
the Partners of Joint Ventures

.....  
.....  
.....

The Common Seal of the above Partners of the Joint Venture:

The Common Seal has been affixed there unto in the presence of:

**WITNESS**

- 1. Signature... ..  
Name .....  
Designation .....  
Occupation.....
  
- 2. Signature... ..  
Name .....  
Designation .....  
Occupation.....



**ANNEXURE-E (SCC)**

**FORM OF JOINT VENTURE AGREEMENT**

**(ON NON-JUDICIAL STAMP PAPER OF APPROPRIATE VALUE TO BE PURCHASED IN THE NAME OF JOINT VENTURE)**

PROFORMA OF JOINT VENTURE AGREEMENT  
 BETWEEN.....,  
 AND.....,FOR BID SPECIFICATION  
 NO..... OF.....

THIS Joint Venture Agreement executed on this .....day of..... Two thousand and between M/s..... a company incorporated under the laws of .....and having its Registered Office at .....(hereinafter called the "Lead Partner" which expression shall include its successors, executors and permitted assigns), M/s. ....a company incorporated under the laws of .....and having its Registered Office at..... (hereinafter called the "Partner" which expression shall include its successors, executors and permitted assigns) and M/s..... a company incorporated under the laws of ..... and having its Registered Office at ..... (hereinafter called the "Partner" which expression shall include its successors, executors and permitted assigns) for the purpose of making a bid and entering into a contract (in case of award) against the Specification No.: for Construction of ..... of \_\_\_\_\_\*\*\* incorporated under the Companies Act of 1956 having its Registered Office at (hereinafter called the "Employer").

WHEREAS the Employer invited bids as per the above mentioned Specification for the design manufacture, supply and erection, testing and commissioning of Equipment/Materials stipulated in the bidding documents under subject Package for .....

Annexure -A (Qualification Requirement of the Bidder), Section-SCC, Vol.-IA, forming part of the bidding documents, stipulates that a Joint Venture of two or more qualified firms as partners, meeting the requirement of Annexure-A, Section SCC as applicable may bid, provided the Joint Venture fulfills all other requirements of Annexure-A, Section SCC and in such a case, the BID shall be signed by all the partners so as to legally bind all the Partners of the Joint Venture, who will be jointly and severally liable to perform the Contract and all obligations hereunder.

The above clause further states that the Joint Venture agreement shall be attached to the bid and the contract performance guarantee will be as per the format enclosed with the bidding document without any restriction or liability for either party.

AND WHEREAS the bid has been submitted to the Employer vide proposal No..... dated ..... by Lead Partner based on the Joint Venture agreement between all the Partners under these presents and the bid in accordance with the requirements of Annexure-A (Qualification Requirements of the Bidders), Section -SCC has been signed by all the partners.

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To be inserted: (\*) Name of State (\*\*) Name of SDA (\*\*\*) Name of Central Public Sector Utility

**NOW THIS INDENTURE WITNESSETH AS UNDER:**

In consideration of the above premises and agreements all the Partners to this Joint Venture do hereby now agree as follows:

1. In consideration of the award of the Contract by the Employer to the Joint Venture partners, we, the Partners to the Joint Venture agreement do hereby agree that M/s .....shall act as Lead Partner and further declare and confirm that we shall jointly and severally be bound unto the Employer for the successful performance of the Contract and shall be fully responsible for the design, manufacture, supply, and successful performance of the equipment in accordance with the Contract.
2. In case of any breach of the said Contract by the Lead Partner or other Partner(s) of the Joint Venture agreement, the Partner(s) do hereby agree to be fully responsible for the successful performance of the Contract and to carry out all the obligations and responsibilities under the Contract in accordance with the requirements of the Contract.
3. Further, if the Employer suffers any loss or damage on account of any breach in the Contract or any shortfall in the performance of the equipment in meeting the performance guaranteed as per the specification in terms of the Contract, the Partner(s) of these presents undertake to promptly make good such loss or damages caused to the Employer, on its demand without any demur. It shall not be necessary or obligatory for the Employer to proceed against Lead Partner to these presents before proceeding against or dealing with the other Partner(s).
4. The financial liability of the Partners of this Joint Venture agreement to the Employer, with respect to any of the claims arising out of the performance of non- performance of the obligations set forth in the said Joint Venture agreement, read in conjunction with the relevant conditions of the Contract shall, however, not be limited in any way so as to restrict or limit the liabilities of any of the Partners of the Joint Venture agreement.
5. It is expressly understood and agreed between the Partners to this Joint Venture agreement that the responsibilities and obligations of each of the Partners shall be as delineated in Appendix-I (\*To be incorporated suitably by the Partners) to this agreement. It is further agreed by the Partners that the above sharing of responsibilities and obligations shall not in any way be a limitation of joint and several responsibilities of the Partners under this Contract.
6. This Joint Venture agreement shall be construed and interpreted in accordance with the laws of India and the courts of Delhi shall have the exclusive jurisdiction in all matters arising thereunder.
7. In case of an award of a Contract, We the Partners to the Joint Venture agreement do hereby agree that we shall be jointly and severally responsible for furnishing a contract performance security from a bank in favour of the Employer in the forms acceptable to purchaser for value of 15% of the Contract Price in the currency/currencies of the Contract.

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To be inserted: (\*) Name of State (\*\*) Name of SDA (\*\*\*) Name of Central Public Sector Utility

8. It is further agreed that the Joint Venture agreement shall be irrevocable and shall form an integral part of the Contract, and shall continue to be enforceable till the Employer discharges the same. It shall be effective from the date first mentioned above for all purposes and intents.

IN WITNESS WHEREOF, the Partners to the Joint Venture agreement have through their authorised representatives executed these presents and affixed Common Seals of their companies, on the day, month and year first mentioned above.

1.	Common Seal of ..... has been affixed in my/our presence . pursuant to the Board of Director's resolution dated.....	For lead Partner  (Signature of authorised representative)
	Signature... ..... Name..... Designation.....	Name Designation Common Seal of the company

2.	Common Seal of ..... has been affixed in my/our presence pursuant to the Board of Director's resolution dated representative)	For other Partners  (Signature of authorised representative)
	Signature... ..... Name..... Designation.....	Designation Common Seal of the company

**WITNESSES:**

1. ....	2. ....
(Signature) Name ..... (Official address)	(Signature) Name ..... (Official address)