

**GENERAL TERMS AND CONDITIONS FOR INVITING TENDERS AND  
AWARDING CONTRACT**

**Definitions: -**

- a) "Company of Corporation" shall mean Bharat Heavy Electricals Limited having its registered Office at New Delhi and includes a duly authorized representative of the Company / Corporation or any other person empowered in this behalf by the Company /Corporation to discharge all or any of the its, functions.
  - b) "Accepting Authority" shall mean the head of the Maintenance Division or any other person Authorized by him.
  - c) "The Contract" shall mean the notice inviting the tender and acceptance there-of and the formal agreement if any, executed between the Bharat Heavy Electricals Ltd., Bhopal and the Contractor together with the documents referred to there in including these conditions, and any special conditions, specifications, design drawings. All these documents taken together shall be deemed to form one contract and shall be complementary to one another.
  - d) The "Contractor" shall mean the individual or firm or company whether incorporated or not, undertaking the work and shall include legal representatives of such individual or persons composing such firm or company as the firm may be and permitted, assigning of such individual or firm or company.
  - e) The Contract sum shall mean the lump sum for which the tender is accepted, in the case of lump sum contract, and in the case of item rate in the case of the works arrived at after extension of quantities shown in schedule of quantities by the item rates quoted by the tendered for various item.
  - f) A "DAY" shall mean a day of 24 hours from midnight to midnight irrespective of the number of hours worked in that day.
  - g) A week, shall mean seven days without regard to the number of hours worked in any day in the week.
  - h) The "work" shall mean the work to be executed in accordance with the contract or part(s) there of as the case may be and shall include all extra, additional altered or substituted work or temporary and urgent work as required for performance of the contract.
1. Engineer in charge shall mean, the Engineering Officer appointed by the Accepting authority, who shall direct, supervise, and be in charge of the work for purposes of this contract.

## **SCOPE OF PERFORMANCE:**

### **Contract Documents:**

2. The contractor shall be furnished, free of charge, two certified true copies of the contract documents. He shall keep one copy of this documents on the site in good order, and the same shall at all, reasonable times, be available for inspection and use by the Engineer-in-charge his representatives or by other Inspecting Officers.
- 2.1. None of documents shall be used by the contractor for any purpose other than that of this contract.
- 2.2. The contractor shall take necessary steps to ensure that all persons employed on any work in connection with this contract have noticed that Indian Official Secrets Act, 1923 applied to them and shall continue so to apply even after the execution of such work under contract.
3. **Work to be carried out:**  
The work to be carried out under the contract shall except as otherwise provided in these conditions, include all labour, materials, which may be required for full and entire execution and completion of the work.
- 3.1. Contractor shall make his own arrangements for all the tools, tackles, measuring instruments consumables required for the execution of the work.

### **Inspection of work before submission of tender.**

4. The contractor shall examine the quantum of work and shall satisfy himself before submitting his tender. He shall himself assess the requirement of materials, contingencies and other circumstances which may affect or influence his tender, no extra charges on any misunderstanding or otherwise shall be allowed.
5. **Sufficiency of Tenderers:** -  
The contractor shall be deemed to have satisfied himself before tendering, as to correctness and sufficiency of his tender, the work and prices. This shall except as otherwise provided, all obligations under the contracts and all matters and things necessary for the proper completion and maintenance of the works.
6. **Discrepancies and Adjustment and Errors:** -  
The several documents forming the contract are to be taken as mutually explanatory of one - another. If there are varying or conflicting provision made in any document forming part of the contract, the accepting authority shall be the deciding authority with regard to the intention of the document. Any error on description, quantity of rate or any error on description or any commission these firm shall not initiate the contract or release the contractor from execution of whole or any part of work comprised. Therein according to drawings and specification or from any of his obligation under the contract.

## 7. **Performance Security Deposit:** -

Performance Security Deposit means the security provided by the Contractor towards fulfilment of any obligations in terms of the provisions of the contract.

7.1 The total amount of Security Deposit will be 3% of the contract value. EMD of the successful tenderer shall be converted and adjusted towards the required amount of Security Deposit.

7.2 Modes of deposit:

The balance amount to make up the required Security Deposit of 3% of the contract value may be accepted in the following forms:

i) In Electronic mode

ii) Bank Guarantee is acceptable in SFMS or Inland Line of Credit mode from Scheduled Banks/ Public Financial Institutions as defined in the Companies Act. The Bank Guarantee format should have the approval of BHEL

iii) Fixed Deposit Receipt issued by Scheduled Banks/ Public Financial Institutions as defined in the Companies Act (FDR should be in the name of the Contractor, a/c BHEL)

iv) Securities available from Indian Post offices such as National Savings Certificates, Kisan Vikas Patras etc. (held in the name of Contractor furnishing the security and duly endorsed/ hypothecated/ pledged, as applicable, in favour of BHEL)

(Note: BHEL will not be liable or responsible in any manner for the collection of interest or renewal of the documents or in any other matter connected therewith)

7.3 Collection of Performance Security Deposit:

At least 50% of the required Security Deposit, including the EMD, should be collected before start of the work. Balance of the Security Deposit can be collected by deducting 10% of the gross amount progressively from each of the running bills of the Contractor till the total amount of the required Security Deposit is collected.

If the value of work done at any time exceeds the contract value, the amount of Security Deposit shall be correspondingly enhanced and the additional Security Deposit shall be immediately deposited by the Contractor or recovered from payment/s due to the Contractor.

(Note: In case of (a) small value contracts not exceeding ` 20 lakhs or (b) SAS jobs, work can be started before the required Security Deposit is collected. However, payment will be released only after collection/ recovery of initial 50% Security Deposit).

7.5 /Performance Security deposit shall be released to the Contractor upon fulfillment of contractual obligations as per terms of the contract.

7.6 The Performance Security Deposit shall not carry any interest.

7.7 Interest on delayed payment of /Performance Security deposit: - “Bidder agrees to submit performance security required for execution of contract within the time period mentioned. In case of delay in submission of performance security, enhanced performance security which would include interest (SBI+6%) for the delayed period, shall be submitted by the bidder. Further, if performance security is not submitted till such time the first bill becomes due, the amount of performance security due shall be recovered as per terms defines in NIT/contract, from the bills along with due interest.

## 8. **Time and Extension for delay**

The time allowed for execution, which shall be mutually agreed between the BHEL and the contractor, and mentioned in the work order, along with these conditions shall be the essence of the contract. The execution of the work shall commence from the 15th day after the date on which the Engineer-in-charge issues written order to commence

the work. If the contractor commits default in commencing the execution of the work as aforesaid, Company / Corporation shall without prejudice to any other right or remedy be at liberty to cancel the order, and forfeit the earnest money / security deposit.

- 8.1. As soon as possible after the contract is concluded, the Engineer-in-charge and the contractor shall agree upon a time and progress chart. The chart shall be prepared in direct relation to the time in the contract documents for completion of the work. It shall indicate the forecast of the dates of the commencement and completion of various activities to be done for completion of the work as per contract. This may be amended as necessary by agreement between the Engineer-in-charge and the contractor within the limitation of time imposed in the contract document and further ensure good progress during the execution of the work. The contractor shall in all cases in which the time allowed exceed one month, complete 1/8th of the whole of the work before 1/4th of the whole time allowed in the contract has elapsed, 3/8th of the work before 1/2 of such time has elapsed and 3/4 the before 3/4th of such time has elapsed.
- 8.2. If the work be delayed by:
- a) Force majeure (as defined in Point 8.5) or
  - b) Serious loss or damaged by fire or
  - c) Delay of the part of other contractor or company / corporation in executing work not forming part of contractor
  - d) Non availability / release of the machine which is the responsibility of the company /corporation.
  - e) Any other cause which is the absolute direction of accepting authority is beyond contractor's control.

Then upon the happening of any such delay the contractor shall immediately give notice whereof in writing to the Engineer-in-charge but shall never the less use constantly his best endeavors to prevent or mark good the delay and shall be all that may be reasonably required to the satisfaction of the Engineer-in-charge to proceed with the work.

- 8.3. Request for extension of time to be eligible for consideration shall be made by the contractor in writing within fourteen days of the happening of the event causing delay. The contractor may also, if practicable, indicate in such a request the period for which the extension is required.
- 8.4. The accepting authority may give a fair and reasonable extension of time for completion of work. Such extension shall be communicated to the contractor by the Engineer-in-charge in writing within one month of the date of receipt of such request.

8.5. **"Force Majeure"**

Notwithstanding anything contained in the contract, neither BHEL nor the Contractor shall be held responsible for total or partial non-execution of any of the contractual obligations, should the obligation become unreasonably onerous or impossible due to occurrence of a 'Force Majeure' which directly affects the obligations to be performed by the BHEL or the contractor; Such events include war, military operations of any nature, blockages, revolutions, insurrections, riots, civil commotions, insurgency, sabotage, acts of public enemy, fires, explosion, epidemics, quarantine restrictions, floods, earthquake, or acts of God, restrictions by Govt. authorities; over which the BHEL or the contractor has no control.

The party claiming to be affected by force majeure shall notify the other party in writing without delay, within two weeks from the occurrence of such situation and on the cessation thereof. Extension of time sought by the contractor along with supporting evidence and so granted by BHEL for the work affected, if any, shall not be construed as waiver in respect of remaining execution.

Rescheduling of execution on account of force majeure conditions, if so agreed by BHEL, will not entail the contractor to claim any increase in the price on whatsoever account.

Notwithstanding above provisions, BHEL shall reserve the right to cancel the Contract, wholly or partly, in order to meet the overall project schedule and make alternative arrangements. If deemed necessary, BHEL may takeover partly processed work at a mutually agreed price."

9. The contractor shall engage sufficient staff either through direct employment or through sub-contractor where such subletting is permitted to maintain the required rate of progress and of quality to ensure workmanship of the degree, specified in the contract and to the satisfaction of the Engineer-in-charge. The contractor shall not employ in connection with the work, any person who has not completed his 15 year of age.
- 9.1. The contractor shall furnish to the Engineer-in-charge a complete list of the persons engaged on the work giving the following details.
  - (a) name (b) age (c) TradeChange over subsequently if any shall be furnished by the contractor to the Engineer-in-charge.
- 9.2. The contractor, shall comply with the provisions of the payment of wages/Act 1936, minimum wages act 1948 Employees Liability Act 1938, Workman's compensation Act 1923. Industrial Disputes Act 1947. Maternity Benefit Act 1961 or any modifications there/of or any other rules relating thereto and rules and regulations from time to time.
- 9.3 The contractor shall indemnify the company / corporation against any payment to be made under and for observances of the regulations aforesaid without prejudice to his right to claim indemnity from this sub-contractor.
10. **Safety Code:** -The contractor shall, at his own expense arrange for the safety \ provisions as required by the Engineer-in-charge in respect of all worker directly or indirectly employed for the work and shall provide all facilities in connection there with. In case the contractor fails, to make arrangements and provide necessary facilities, the Engineer-in-charge shall be entitled to do so, and recover the cost there of, from the contractor.
11. **Nuisance:** - The contractor shall not at any time do cause or permit any nuisance on the work site or do anything which shall cause unnecessary disturbance or convenience to other workers.
12. **Worker Insurance:** - Contractor shall insure their men as per the workmen's compensation act.
13. **Contractor's Supervisions:** -  
The contractor shall either himself supervise the execution of the work or shall appoint competent man approved by the Engineer-in-charge to act on his behalf.
14. **Inspection and Approval:** - All work embracing more than one process shall be subject to examination & approval at each stage thereof and the contractor(s) shall give due notice to the Engineer-in-charge or his authorized representative when each stage is ready.
  - 14.1. No work shall be covered up or put out of view without the approval of Engineer-in-charge, or his representative and the contractor shall afford full opportunity, for examination of any work which is about to be covered up or put out of view. In the event of the failure of the contractor to do as aforesaid if required by Engineer-in- charge, he shall uncover such work at contractor's own expenses.
  - 14.2. Removal of workers: The contractor shall employ for the execution of the works only

such persons as are skilled and experienced in their trades and the Engineer-in-charge shall be at liberty to object and require the contractor to remove from the work any person employed by the contractor for the execution of the work, who in the opinion of Engineer-in-charge misconducts himself or is incompetent or negligent in performance of his duties, and such persons shall not be re-employed for the work without the written permission of the Engineer-in-charge.

15. **Work during the Night, weekly off and Holiday:** -

No work shall be carried out during night, factory weekly off and public holidays without the prior written permission of Engineer-in-charge.

16. **Terms of Payment:**

TERMS OF PAYMENT:

16.1 Progressive payment shall be made based on the actual measurements of works executed subject to the deductions towards income tax with surcharge, other applicable tax (if any) or levies applicable and recoveries towards materials/ services rendered on chargeable basis and penalty, if applicable.

16.2 All the payments due to the Contractor will be made through Electronic Fund Transfer (EFT). For EFT facility the successful bidder is required to submit the details duly endorsed by their bank in the prescribed checklist as mentioned in the NIT.

16.3 Payment of running bills shall be made within 60 days (from the date of submission of bills (by the contractor) duly verified by Site Engineer.

16.4 Any interim Payment made relating to work done or materials delivered vide running account bill may be modified or corrected by any subsequent interim payment or by the final payment. No certificate of the Engineer-in-charge supporting an interim payment shall of itself be conclusive evidence that any work or materials to which it relates is/ are in accordance with the contract.

16.5 No benefits shall be extended to MSMEs with respect to payment conditions.

Note: Advance Payment – BHEL does not give advance of any kind as a policy.

17. **ORC (Over Run Compensation)** While every endeavor will be made by BHEL but, BHEL cannot guarantee uninterrupted work due to conditions beyond its control. The contractor will not be entitled to any compensation/extra payment/overrun on this account.

18. **Defects Liability Period Guarantee:**

The contractor shall guarantee the executed work for satisfactory performance for six months from the date of handing over with any major impairment to the accuracies and performance excluding mal-operations and accidents.

18.1. If any defect is noticed during the six months' period of Guarantee contractor is liable to rectify the same free of cost within a fortnight from the receipt of the intimation.

19. Defects Liability period-guarantee the executed work for the satisfactory performance for six months from the date of handing over with any major impairment to the accuracies and performance excluding mal operations and accidents.

19.1 If any defect is noticed during the six months' period of Guarantee, Contractor is liable to rectify the same free of cost within a fortnight from the receipt of the intimation.

20. **Cancellation of contract in full or part:**

If the contractor: -

- a. At any time makes default in proceedings with the work with diligence and continues to do so after a notice in writing of 7 days from Engineer-in-charge or,
- b. Commits default in complying with any of the terms and conditions of the contract and does not remedy it or take effective steps to remedy it within 7 days after a notice in writing is given by Engineer-in-charge in that behalf or,

- c. Shall offer or give or agree to give to any person in M/s BHEL, Bhopal services are to any other person on his behalf any gift or consideration of any kind as an inducement or reward for doing or for hearing to do for having done or for borne to do any other contract for the Company / corporation or,
- d. Shall obtain a contract with the Company/ or Corporation as a result of retendering or other non-bonafide methods, competitive tendering then the Accepting Authority may without prejudice to any other right to remedy, can cancel the contract in full or part.
- e.

## **21. Arbitration and law:**

Except where otherwise provided for the contract, all questions and disputes relating to the meaning of the specifications design, drawings and instructions here in before mentioned and as to the quality of workmanship or materials used on the work or as to any other question, claim, right matter or thing whatsoever in any way arising out of or relating to the contract, design, drawings, specifications, estimates, instructions, orders, or these conditions, or otherwise concerning the works or the execution or failure to execute the same whether arising during progress of the work after the completion or abandonment there of shall be referred to the sole arbitration of the General Manager of BHEL and if the General Manager, is unable or unwilling to act, to the sole arbitration, of some other person appointed by the General Manager willing to act as such arbitrator. There will be no objection if the arbitrator so appointed is an employee of BHEL and that he had to deal with the matters to which the contract related and that in the course of his duties, as such had expressed views on all or any of the matters in disputes or difference. The arbitrator to whom matter is originally referred being transferred or vacating his office or being unable to act for any reason, such General Manager as aforesaid at the time of such transfer vacation of office or inability to act, shall appoint another person to act as arbitrator in accordance with the terms of the contract, such person shall be entitled to proceed with the reference from the stage at which it was left by his predecessor. It is also a term of this contract that no person other than a person appointed by such General Manager as aforesaid should act as arbitrator and if for any reason, that is not possible, the matter is not to be referred to arbitration at all. In all case where the amount of the claim in dispute is Rs. 50,000/- (Rupees fifty thousand only) and above, the arbitrator shall give reason for the award. Subject as aforesaid the provision of the arbitration Act, 1940 or any statutory modification reconditioning or reenactment thereof and the rules made there under, and for the time being in forces shall apply to the arbitration proceeding under this clause.

It is a term of the Contract that the party invoking arbitration shall specify the dispute or disputes to be referred to arbitration under this clause together with the amount or amounts claimed in respect of each dispute. The arbitrator(s) may from time-to-time with consent of the parties enlarge the time for making and publishing the award.

The arbitrator shall be deemed have entered on the reference on the date he issues notice to both the parties fixing the date of first hearing. The arbitrators shall give a separate award in respect of each dispute or difference referred to them. The venue of arbitration shall be such place as may be fixed by the arbitrator in his sole discretion. The award of the arbitration shall be final, conclusive and binding all parties to this contract.

### **21(i) Conciliation: -**

The Parties agree that if at any time (whether before, during or after the arbitral or judicial proceedings), any Disputes (which term shall mean and include any dispute, difference, question or disagreement arising in connection with construction, meaning, operation, effect, interpretation or breach of the agreement, contract or the Memorandum of Understanding (delete whichever is inapplicable), which the Parties are unable to settle mutually), arise inter-se the Parties, the same may, be referred by either party to Conciliation to be conducted through Independent Experts Committee to be appointed by competent authority of BHEL from the BHEL Panel of Conciliators.

Notes:

1. No serving or a retired employee of BHEL/Administrative Ministry of BHEL shall be included in the BHEL Panel of Conciliators.

2. Any other person(s) can be appointed as Conciliator(s) who is/are mutually agreeable to both the parties from outside the BHEL Panel of Conciliators.  
The proceedings of Conciliation shall broadly be governed by Part-III of the Arbitration and Conciliation Act 1996 or any statutory modification thereof.

22. **Jurisdiction**: -The jurisdiction in all cases shall be at Bhopal alone.
23. **Related Party**: - The party submitting the bid shall give the information in case of related party transaction, which means if a Director or Key Management Person (KMP) of the BHEL or their relative hold position in the bidder's company shall give the information.
24. **Short Closure**: - **"BHEL reserves the right to accept the offers in part or in full, cancel the Tender enquiry or short close the contract without assigning any reason."**

Signature of Issuing Officer  
Date

Signature of Contractor  
Date



**INSTRUCTIONS TO CONTRACTOR FOR STATUTORY  
COMPLIANCES FOR WORKS CONTRACT**

**1.0 Statutory registrations and clearances**

Contractor shall commence the work only after obtaining valid Labour License, independent Provident fund no., ESI Registration no., Income tax no. and Clearance Certificate in respect of Provident Fund, ESI and Income Tax from respective enforcement authorities.

**2.0 Appointment and termination of workers by contractor**

- 2.1** Contractor shall make appointment of his Employees only for a specific period and same shall be recorded in employment card. Appointment letter should clearly state that the services shall stand terminated on expiry of contract period or completion of the work.
- 2.2** Contractor shall have the sole discretion to decide on employing, rewarding or terminating the services etc. of his employees. However, his employees must possess such qualifications, experience, age requirement and medical and physical standards as required for the work awarded to the contractor.
- 2.3** In case of termination of services of any employee of contractor, the contractor will ensure that wage payment and other dues to his employee are made within 48 hours of termination of services of such employee. While termination of the services of any of his employee, the contractor will discharge all formalities as per the Industrial Dispute Act such as payment of retrenchment compensation and gratuity as due and admissible.

**3.0 Leave with wages**

- 3.1** Contractor shall allow Annual leave with wages as under
- 3.2** One-day leave for every 20 days of work performed during preceding calendar year after completing 240 days of service in preceding calendar year.
- 3.3** Unavailed leave can be carried forward to next Calendar year but carry forward should not exceed 30 days. Leave should not be taken more than 3 times in a Calendar year and for which application before 15 days should be made.
- 3.4** In addition, 7 festivals and 3 National Holidays and 7 days' Casual leave shall also be availed by employee of contractor during the Calendar year.
- 3.5.** Contractor shall maintain leave record register.

#### **4.0 Attendance Card**

- 4.1** Contractor has to provide attendance card to his employee who will obtain endorsement of time of arrival at the work place and time of leaving the work place. The contractor shall maintain Attendance card which will be retained by his employee and will be handed over to the contractor after the end of each wage month.

#### **Identification card**

- 4.2** Contractor shall provide to each of his employee an identification card which shall have his photograph verified by contractor, his name, place of work and name of the contractor.

#### **5.0 Statutory obligations**

- 5.1** Contractor shall engage only adult workers who have attained the age of 18 years and female workers shall not be employed between 7 Pm to 6 Am on all days including Sundays and Holidays.
- 5.2** Contractor shall observe local laws. As far as possible unskilled workers shall be engaged from the local areas only in which work is being executed.
- 5.3** Contractor shall not employ any inter-state migrant workmen as defined in the Inter-State Migrant Workmen Act in the establishment except by prior permission of the Principal Employer.
- 5.4** Contractor shall observe Provisions of the Factories Act in respect of working hours, holidays, rest intervals, leave and overtime to his employee. No work shall be done on second/third shift, overtime, Sundays or on other declared holidays without written permission.
- 5.5** In case a contractor employs women as his employee, he will discharge his obligation under law in respect of such women workers such as prohibition of engaging them during night-hours, prohibition of employing them for more than 9 hours per day, provision of crèche facility, grant of maternity leave as per rules etc.
- 5.6** Payment of bonus under the Payment of Bonus Act, Payment of gratuity under the payment of Gratuity Act, will be the sole responsibility of the contractor.

#### **6.0 PF & ESI Contribution & Returns**

- 6.1** Contractor shall remit Provident fund contribution of employee's together with Employer's within 15 days from the date of disbursement of wages to his employee. Monthly and annual returns in 3A & 6A prescribed forms should be submitted to the RPFC office, Bhopal. Present rate of employer share of PF is 13.61% and employee share is 12%.

- 6.2** Contractor shall remit ESI contributions of employee's together with employer's within 21 days of the last day of the calendar month in which the contribution falls due and shall send a return of contribution in Form 6 before 12<sup>th</sup> May and 12<sup>th</sup> November of every year along with receipted challans to ESI office. Present rate of employer share is ESI 4.75% and employee is 1.75%
- 6.3** Contractor shall submit a copy of latest PF& ESI returns and inspection reports from statutory authorities along with a copy of challans for having deposited PF & ESI contributions every month.
- 6.4** Contractor shall submit following Certificate for each contract separately.

"It is certified that PF challans of the amount ----- pertains to my workers whose names are appearing in the wage sheet of the month - - - - -  
----- and these workers are engaged in ----- (type of work) against work Work Order no. ----- in ----- (name of department).

Signature \_\_\_\_\_ of  
Contractor

Note: - Similar certificate shall be submitted for ESI also.

- 6.5** Contractor shall fully comply all other formalities as per the PF & ESI statutory provisions and submit a copy of the same for replying to Statutory authorities in case of any complaints.

## **7.0 Contribution to M.P. Welfare Board**

- 7.1** Contractor should ensure payment of contribution as per section 9 of "The M.P. Shram Kalyan Nidhi Adhiniyam 1982. Both employee's contribution and employer's contribution should be paid every year before 15<sup>th</sup> day of July and 15<sup>th</sup> day of January.
- 7.2** Presently, if the name of employee stands on the register of an establishment on 30<sup>th</sup> June and 31<sup>st</sup> December respectively, the amount of contribution payable every six month by every employee shall be ONE RUPEES only and by an employer shall be THREE RUPEES payable every six months. The contribution payable by employer every six month shall not be less than Rs. 150/-

## **8.0 Medical care in case of accident**

- 8.1** It is the responsibility of contractor to undertake necessary care and make arrangement for transportation and the treatment of his employee at ESI Hospital. Medical treatment in emergency cases on written request of contractor shall be done in Kasturba Hospital for which the charges should be deposited in advance or BHEL is authorized to deduct the medical expenses from the bills of the Contractor. BHEL will have the right to deduct the medical expenses from the bills of the contractor.
- 8.2** Contractor should assist and guide his employees for claiming lawful benefits from ESI.

## **9.0 Supervision**

Contractor shall employ adequate number of competent and qualified supervisors to supervise and control his employee at the work spot during execution of work for effective supervision. They will also identify their employee and regulate entry at gate at the time of entering and leaving the factory. Name and address of the Supervisor shall be submitted to the concerned department by the contractor.

## **10.0 Payment of wages**

**10.1** Payment shall be made by the contractor to his employees as per their category & nature of work which shall not be less than the rates declared from time to time by BHEL.

**10.2** Over and above the daily wage rate, payment shall be made for leave with wages.

**10.3** Contractor shall be responsible for making payment of wages before expiry of 7 days from the last day of wage period and to ensure disbursement of wages in the presence of the authorized representative of contract operating division who shall record under his signature at the end of entries in the Register of wages in the following form

“Certified that the amount shown in column no.....has been paid to the workers concerned in my presence on date ..... at time ”.

Signature of representative

**10.4** Contractor shall distribute wage slip to his employee one day before the last day of the month.

**10.5** Contractor shall furnish a copy of the Wage Bills after disbursement of wage to his employee duly witnessed by the nominated representative of the contract operating division. The contractor must note that this copy will be used by BHEL to make payment of wages for the subsequent month in the event of failure on the part of contractor to make payment of wage within the prescribed period. If payment of wage through this method in the absence of any other available document results in excess payment than what is due and admissible to the employee of the contractor, the responsibility for such excess payment will be that of the contractor.

## **11.0 Safety and disciplinary action**

**11.1** Contractor shall ensure that his employee do not indulge in any unsafe or hazardous practices. They use safety equipment such as safety belts, safety shoes, goggles, helmet and masks where use of such equipment is required in day-to-day operations. All such safety gadgets will be provided by the contractor failing which the contract operating division will provide safety equipment to such employee of the contractor at the cost of the contractor to be recovered from his bills. Contractor shall fully indemnify BHEL against any

claim for damages for injury to person or property resulting from such accidents.

- 11.2 Contractor shall take prompt disciplinary action as per "Model Standing Orders" on the advice of Contracting officer.

**12.0 Records & information to be furnished by contractor**

- 12.1 Contractor shall maintain neatly, completely and legibly registers, records, reports and returns for inspection by various authorities at short notice.
- 12.2 Contractor shall submit the details of work awarded to him by other departments indicating work order No., nature of work and maximum number of workers employed etc.
- 12.3 Contractor shall provide information as required in respect of all of his employees employed by him to enable the Contract operating division to monitor compliance of P.F./ESI and also to enable him to furnish information to Ministry and Labour deptt. as may be required.
- 12.4 Contractor shall provide full particulars of each employee employed by him before start of the work and from time to time. He will also endorse a copy of returns furnished by him to the Labour Department under the Contract Labour (Regulation and Abolition) Act 1970 .

**13.0 Security deposit & Indemnity Bond**

- 13.1 Contractor shall make Security Deposit to use this security amount to discharge any legal obligations otherwise cast on the contractor under the Contract Labour (Regulations and Abolition) Act, The Factories Act, Workmen Compensation Act, The Minimum Wages Act, The Payment of Wages Act, The Interstate Migrant Workmen Act or any other law for the time being in force. Security money shall remain upto 3 months after termination/ completion of contract. No interest shall be payable on such Security deposit.
- 13.2 Notwithstanding the above, in case of any financial loss incurred by company on account of contravention of Provident fund, ESI, Minimum Wages Act or any other act, rule and regulations the contractor shall be responsible to make good the loss incurred by the company.
- 13.3 The contractor will not engage any sub-contractor without a specific permission in writing and where so permitted he will furnish an Indemnity Bond. Indemnifying the BHEL from any actions of his sub-contractor(s) which may be involving extra financial liabilities.

**14.0 Risk and Cost**

If the work is not executed or partly executed within the agreed execution period, BHEL reserves the right to cancel the order and get the work executed from the alternate source(s) at the Risk and Cost of the Contractor. In such an event, it shall be obligatory on the part of contractor to make good any loss suffered by BHEL".

**15.0 Termination of Contract**

Contract awarded is liable for termination for any contravention of statutory provisions or any other reasons without assigning any explanation or notice to the contractor.

**16.0 Compliance of Statutory provisions**

- 16.1 Contractor shall fully comply provisions of the following enactments and other enactments as applicable for such contracts.

Contract Labour (R&A) Act 1970 and rules  
1971. Payment of Wages Act.  
Minimum Wages act 1948, M.P. Rules 1958  
Employees State Insurance Act 1948, Rules and  
regulations 1950 Employees Provident Fund Act 1952 and  
Pension Scheme 1995

**Workmen's Compensation Act 1923**

M.P. Industrial Relations Act  
1960. Factory Act 1948  
Maternity Benefit Act  
1961 Equal Emolument  
Act 1976  
M.P. Shram Kalyan Nidhi Adhiniyam 1982  
Payment of Bonus Act 1963  
Payment of Gratuity Act  
1971 Inter State Migrant  
Act

Signature of Issuing Officer\_\_\_\_\_

Signature of Contractor\_\_\_\_\_

Date\_\_\_\_\_

Date.\_\_\_\_\_

**CONTRACTOR HAS TO ENSURE FOLLOWING  
STATUTORY COMPLIANCES**

1. **Every contractor has to have bank** account. Payment to him will be by electronic transfer of funds. All contract labour will be required to have bank account No. and payments shall be made to them only through their bank accounts/cheque.
2. Works contractor has to comply with the following statutory requirements: -
  - i. Labour license(Center)
  - ii. PF & ESI Registration and deposit of contributions.
  - iii. Deposit of MP Labour Welfare Fund.
  - iv. Registration under MP Shop & Establishment act.
3. Amongst others, the following records/returns/documents have to be prepared / furnished by the contractor and copy to be handed over to engineer incharge:-
  - i. Notice of commencement of the contract to the Dy. Labour Commissioner, Bhopal within one month of the contract. Similarly, notice of completion of the contract has also to be submitted.
  - ii. Copy of Employment Card of each contract labour to be submitted to ELX before issue of token/passes.
  - iii. Wage slip to be issued at the end of every wage period to every contract labour.
  - iv. Attendance Card in respect of each contract labour.
  - v. Contribution card of PF of each contract labour.
  - vi. Form 3A & 6A as per PF Act by the contractor.
  - vii. Identify card under ESI Scheme for every contract labour.
  - viii. Registrar of Adult workers as provided by Factories Act.
  - ix. Leave record to be prepared as per factories act.
  - x. Annual Return of Bonus paid.
4. The contractor shall attach a declaration with every bill that the records as above are maintained at his end. Departments shall specify that copy of the records have been received. The contractor shall engage a competent hand, preferably a commerce graduate with Computer proficiency, who will be responsible for maintenance of these records with respect to each contract he executes & the contractor's offer shall contain name of such person.

Signature of Issuing Officer

Signature of Contractor

Date

Date

1. Attendance Record of contract workers

- Contractor shall maintain an **Attendance Register** against work order in respect of the contract laborers deployed by him in the department. The contractor shall record the daily attendance of the workers.
- The register shall bear the daily signature of the contract workers & contractor.
- The register shall at all the times of work be available at the place of work/dept. and made available when required by Inspection agencies.
- If during any inspection, the attendance register is not found at the place of work, the contract is liable to be short closed/ terminated.
- Attendance register shall be maintained in the format of Form No XVI as per CL (R&A) Central rules 1971.

2. Wage record of contract workers

- Contractor shall maintain a **Wage Register** against each work order in respect of the contract laborers deployed by him in the department.
- Wage Register shall be maintained in the format of Form No. XVII/XVIII as per CL (R&A) Central Rules 1971.
- The Wage Register shall be based on the Attendance Register as mentioned above.
- Every contractor shall issue Wage Slip to each contract worker every month on the last day of the wage month. Wage slip shall be as per the CLC format available at CLC Web page.
- The Contractor shall pay wages not later than 7th of the succeeding month. Any default on this has serious legal complications including prosecution and payment of fine (upto 10 times). Situation with respect to each work order has to be reviewed every month.
- Wage Register shall bear the PF and ESI nos. of the workers.

3. Compliance of PF/ ESI deductions

- Contractor shall file the electronic return of PF/ ESI and submit proof of payment of both the employer's and employees' contributions every month. (PF has to be remitted by 15th and ESI by 21st of the succeeding month).
- Contractor shall submit the challan along with copy of a self-certified list of contract workers of the work order bearing their names and PF/ESI no. for which the contribution has been submitted by him for the said period.
- After verifying that the contributions of the workers have been deposited by the contractor, shall forward the PF/ ESI challans along with the wage bill and the covering certificate as is in practice to Finance department along with bill through HR department for verification of PF/ESI compliance.
- Finance department shall insist on copy of PF /ESI challans before clearing the bill.

4. ESI card based Labour Entry

- Only those workers shall be allowed entry into Factory premises who have valid ESI card.
- This arrangement shall continue till the bio-metric card is introduced for the contract labour which shall be expedited for early introduction.



**6. Compliance of wearing Uniform, shoes & helmet by contract workers**

- In the first month of the execution of work order the contractor shall provide uniform, shoes & helmet to his workers and provide an undertaking on this regard to the department.
- HOD will endorse the undertaking after due verification of compliance.
- First running bill will be processed only on the production of the undertaking.
- In case of non-compliance beyond second month, notice of termination of contract will be issued.

**7. Supervision of Contractor labour**

- Contractor shall provide at least one identified supervisor per shift. All issues regarding discipline at the works like Work allocation, early exit, snacks distribution etc are to be his personal responsibility.

**9. Contract labour accidents while at work**

- Any contract worker meeting with an accident while at work shall be provided all possible medical treatment available in Kasturba Hospital.
- Kasturba hospital shall raise the bill for the expenses incurred on the treatment of the worker.
- Cost of treatment to be deducted from the next bill of the contractor. There shall be no insistence on deposit of advance for the treatment.
- In case of medical emergencies faced by worker at work, medical facilities in the interest of the well-being of the worker shall be provided by BHEL. The decision of the doctors attending the emergency shall be final and binding. The cost incurred shall be deducted from the bills of the contractor.
- Contractor has to complete the ESI formalities and BHEL shall submit claim of reimbursement of medical expenses to ESI. The amount reimbursed by ESI shall be paid back to the contractor.

**10. First and Final Bill to be cleared only after submission of Form VI A & VI B**

- Contractor shall within 5 days from commencement and also on completion of Work Order, submit Form VI B which is a mandatory requirement.
- Contractor shall within 5 days of commencement /completion of Work Order submit Form VI A to RLC office.
- Contractor shall submit a copy of Form VI A bearing the receipt seal of RLC office to HR.
- First/final bill shall be processed on clearance from HR regarding submission of Form VI A and VI B by contractor.
- HR will allot Work order no. only after the contractor concerned furnishes copy of Form VI A regarding the closure of the earlier contracts.

Signature of issuing officer

Signature of Contractor

Date

Date

**BHEL TERMS & CONDITIONS HEALTH, SAFETY & ENVIRONMENT****1. Rules To Be Observed. (while inside BHEL premises) :**

- i) BHEL is a no-smoking zone. This rule shall be observed by all workmen at all times while inside BHEL.
- ii) Workers shall not indulge in gambling or consumption of liquor while inside BHEL.
- iii) No workmen shall enter BHEL in inebriated condition.
- iv) Contractor shall not post any worker at a workplace without instructing him of all Safety requirements, Technical requirements and all rules of proper conduct in line with Factories Act and BHEL Rules and regulations.

**2. SAFETY :**

- i) No workman shall be below the age of 18 years on the date of starting work in BHEL.
- ii) For any skilled / semi-skilled work, trade certificate such as ITI pass, Diploma, or degree shall be furnished.
- iii) Electricians shall furnish their valid license from Chief Electrical Inspector, Govt of MP. Or Equivalent Certificate of experience as per IEE Rules.
- iv) For Crane operators, a minimum skill certificate of ITI pass shall be required. Experience certificate stating specific skill in crane operation such as EOT crane, mobile crane etc as may be relevant, names of enterprises where cranes have been operated in the past , period (from and to date) shall be furnished at the time of quoting for the tender.
- v) Contractor shall submit proof of crane operator having undergone training for operating the crane.
- vi) For slingers employed by contractor, the minimum educational qualification shall be 10<sup>th</sup> pass.
- vii) List of all Personal Protective Equipment which shall be provided by Contractor must be furnished at the time of quoting for tender. In the event where, after award of work order, it is found that Contractor's workmen are working without the required PPEs, BHEL reserves the right to provide the PPEs at the cost of Contractor. The expenses so incurred shall be deducted from the running/final bills of the contractor.
- viii) At the time of starting work, the contractor shall submit all PPEs through entries in BHEL Material Gate No-9 for such items as Face Shield, Respirators, Safety Belts, Dungarees, Welding shields etc. For other consumable nature of PPEs such as masks, ear-buds, muffs gloves, inspection at workplace, by BHEL personnel shall confirm whether workmen are provided the PPEs and are using the same.
- ix) For such items as Safety shoes, Aprons, Uniform etc which are worn by the workmen on first day of commencement of work, the contractor shall get the signed endorsement from AGM concerned of the department where work is to be started, that workmen have been issued the relevant PPEs by contractor and that the same are being used.
- x) The Signed endorsement of this sheet shall be sent to CLC division at the time of commencement of work.
- xi) Failing to furnish this endorsed copy will result in objection for processing the running / final bill, whichever is put up first, for clearing.

**3. ENVIRONMENT:**

- i) For any Chemicals, Paints or oils etc that the contractor may be required to be brought inside factory, the empty drums, containers etc shall be taken out through gate no-9 under intimation to AGM concerned of the department where work is carried out.
- ii) No oil or chemical etc shall be drained in the drains or water pools inside factory.

**4. HEALTH**

- i) Medical certificate of current date, from local Registered doctor (MBBS) in respect of all workmen shall be furnished by contractor before starting work in BHEL.
- ii) For crane operators Medical certificate with special fitness of eye-sight & color-vision from Registered doctor (ophthalmology MBBS) shall be furnished before start of work; and fresh medical certificate shall be thereafter produced every 12 months. For an operator of 45 years and above, the same shall be furnished every 6 months of his working inside BHEL from Registered doctor(MBBS Ophthalmology ).

- iii) All hired crane operators shall be got certified by the contractor from Safety Department before deployment at any shop floor, and from time to time as required in accordance with directive of BHEL.
- iv) For such workmen as will be employed in Canteens, the contractor shall furnish Medical Certificate of fitness from registered doctor (MBBS) stating fitness in addition to general aspects, free from any skin diseases, infectious diseases like TB, Asthma, Leprosy etc.
- v) As a general rule, no person above age 60 years shall be employed for contract work. However, if a specific skill set necessitates employing of a person above 60 years of age, the contractor shall specify this condition at the time of quoting for a tender. And BHEL reserves the right to allow / permit such a person to work inside BHEL. The necessary condition for this shall be that the contractor shall furnish a certificate of Physical Fitness from a registered Medical doctor of current date mentioning the age of the person to be employed. However, this may be allowed only as an exception due to skill-requirement, and not as a general practice.
- vi) For all such work requiring working at heights such as chimneys, rooftops, columns of blocks, special medical certificate of fitness from MBBS doctor shall be furnished showing the person is free from such medical conditions as vertigo, epilepsy etc. Specific written permit shall be taken from the In-charge/HOD of that department not less than AGM, for such work.

#### **5. ROAD SAFETY :**

- i) All vehicles brought inside the factory by contractor, shall have valid registration. The drivers, or operators as the case may be, shall have valid licenses. The vehicles shall be Road-worthy and Load-worthy as applicable.
- ii) Operation of Battery operated trucks (BOT) and Fork-lift trucks inside factory shall be done only by workmen who hold valid licenses for motor vehicles. Maintaining road safety rules inside factory at all times is the prime responsibility of contractor's workmen. Any violation of the same shall be deemed a punishable offence in accordance with road safety rules. Any damage to the property of BHEL by any act of carelessness on road/mishap, shall be recoverable from the Contractor.

#### **6. GENERAL SAFETY ASPECTS :**

All Contractor's workmen shall abide by the rules & regulations of BHEL with respect to Safety, Health and Environment while inside BHEL Bhopal factory:

(1) BHEL's HSE policy shall be honored at all times. (2) PPEs shall be used as required at the work-place (3) No unsafe act shall be indulged-in, by the workmen. (4) Special written permission for working at heights shall be obtained by contractor. (5) Medical clearances as required for work shall be submitted before start of work. (6) While working at any machine tool area etc, BOTs, Cranes etc no mobile phone usage is allowed. (7) No loose clothings like shawls, mufflers, dupatta etc should be worn near machine tools. (8) Smoking is prohibited at all times inside factory. (9) No make-shift arrangements shall be made for any engineering shop-floor work. (10) Compressed air shall not be used for area or personal cleaning/de-dusting. (11) All stipulations of the Factories Act shall be honored and observed by contractor's workmen.

- 7. The following requirements are specific to the Skills, Trades and Situations as per Factories Act 1948. These have to be fulfilled by the contractor for allocating his worker(s) inside BHEL for any work awarded to him, for workers working at/on:

(All Factories Act & MP Rules to be fulfilled by contractor for Age, Skill, Training and Instruction for any of the below mentioned equipment, Machinery, Process)

7.1 Revolving Machinery, 7.2 Pressure Vessels, 7.3 Lifting Devices, 7.4 Power Presses, 7.5 Work at heights, 7.6 Any confined space, 7.7 Electrical Equipment 7.8 In the vicinity of other hazardous process/machinery

**Signature of contractor**

(as proof of having read & agreed for compliance)

**GUIDELINES FOR SETTLEMENT OF CLAIMS FOR COMPENSATION ON ACCIDENTS  
APPLICABLE TO BHARAT HEAVY ELECTRICALS LIMITED**

COMPENSATION IN CASE OF DEATH/PERMANENT INCAPACITATION BHEL shall recover the amount of compensation paid to victim(s) by BHEL towards loss of life/permanent disability due to an accident which is attributable to the negligence of contractor, agency or firm or any of its employees as detailed below:

(a) Victim: Any person who suffers permanent disablement or dies in an accident as defined below.

(b) Accident: Any death or permanent disability resulting solely and directly from any unintended and unforeseen injurious occurrence caused during the manufacturing/operation and works incidental thereto at BHEL factories/offices and precincts thereof, project execution, erection and commissioning, services, repair and maintenance, trouble shooting, serving, overhaul, renovation and retrofitting, trial operation, performance guarantee testing undertaken by the company or during any works/during working at BHEL Units/Offices/townships and premises/Project Sites.

(c) Compensation in respect of each of the victims:

(i) In the event of death or permanent disability resulting from Loss of both limbs: Rs 10,00,000/- (Rs Ten Lakh)

(ii) IN the event of other permanent disability: Rs 7,00,000/- (Rs Seven Lakh)

(d) Permanent Disablement: A disablement that is classified as a permanent total disablement under the proviso to Section 2(I) of the Employee's Compensation Act, 1923.

NOTE: This clause shall be applicable in a contract having contract value of Rs 5.00 Lakh or above.

### **GST related Guidelines**

1. Whenever bidders are required to supply services at project site party has to submit GST registration no. of the state in which project site is located along with copy of registration certificate at the time of submission of bid. In case the same is not available at time of submission of bid, the contractor has to give an undertaking that the same will be arranged before award of work order.
2. HSN Code/SAC, rate of tax under GST and applicable GST (IGST, CGST/SGST/UTGST) and GSTIN shall be clearly mentioned by the bidder.
3. GST portion of the invoice shall be released only upon: -
  - 3.1. All invoices raised by contractors/vendors must be GST compliant tax invoices as per GST invoices rules.
  - 3.2. Contractor declaring such invoices in his GSTR-1 or any modified return as notified by government.
  - 3.3. Receipt of goods/services and Tax Invoices by BHEL and
  - 3.4. Confirmation of payment of GST thereon by contractor on GSTN portal.
  - 3.5. Alternatively, contractor has to submit BG of appropriate value which shall be valid at least one month after the confirmation of date of payment of GST by contractor on GSTN portal and receipt of Tax invoice and receipt of services, whichever is later. Contractor has to give an undertaking in this regard.
  - 3.6. Contractor has to give an undertaking to BHEL that they have declared invoice in his return and paying GST within timeline prescribed for availing ITC by BHEL.

Payment to contractor for GST portion will be release only after completion of above activity and on availment of ITC by BHEL.

4. In case GST credit is delayed/denied to BHEL due to non/delayed receipt of services/goods and  
/or tax invoices or expiry of the timeline prescribed in GST law for availing such ITC or any other reason not attributed to BHEL, GST amount shall be reasonable from the contractor along with interest levied/leviable on BHEL.

### Reverse Charge under GST

- 5A. In respect of services, reverse charge liability shall arise at the earliest of date of payment to service provider or 60 days from the date of issue of invoice by service provider. Contractor has to submit bill for payment within 30 days from the date of invoice. Any interest or penalty implications attributable to the contractor shall be recovered from them.
- 5B. Any GST liability arising on BHEL under reverse charge before actual receipt of goods and/or invoice thereof would be subject to recovery of interest levitable for the period between the date of such liability and actual date of eligibility of ITC based on receipt of goods, receipt of invoices and other condition specified in GST law.

### Liquidated Damage/Penalty

6. Liquidated damage (LD) or penalty if chargeable from suppliers/contractors as per NIT, applicable GST will be charged in addition to the same.

### Tax Deduction at source

7. TDS as per extant provision of the Income tax law & GST law shall be deducted from supplier/contractor bill.

**Signature of contractor**

(as proof of having read & agreed for compliance)