

NEW CLAUSE 23.0 OF SCC

CLAUSE 23.0 : Additional Provisions for PAC

It is envisaged that the PLANT will be Commissioned and PERFORMANCE AND GUARANTEE TESTS RUN (PGTR) will be done within contractual Completion period. In case, COMMISSIONING and/or conductance of PGTR of the PLANT is delayed by 18 months from MECHANICAL COMPLETION due to the reasons solely attributable to the OWNER then following provisions will apply:

- 1.0 If the Commissioning of the PLANT cannot be undertaken within 18 months from MECHANICAL COMPLETION, the CONTRACTOR, in consultation with the OWNER, may demobilise some or all of its personnel brought to or retained at the site for the purpose of Commissioning. The CONTRACTOR shall re-mobilise the required personnel on receipt of notice for Commissioning and/or conductance of PGTR and the OWNER and the CONTRACTOR shall agree upon the reasonable cost as detailed in para 3.0 to be incurred by the CONTRACTOR for remobilisation of such personnel, which shall be payable in addition to the price of services specified in the Contract, and this additional amount shall be included within and form part of the PAC bill of the CONTRACTOR.

In such case, the Cost for Commissioning, and/or Sustained Load Testand/or conductance of PGTR and/or training of OWNER's personnel in PLANT shall be retained @ 3% of the Total Contract Price. Payment against PRILIMINARY ACCEPTANCE less the aforesaid retention amount shall be released against submission of equivalent amount of Bank Guarantee(s) by the CONTRACTOR. The validity of such Bank Guarantee(s) shall be initially for a period of 6 (six) months and shall be extended in steps of 6 (six) months each. If however, the PLANT cannot be commissioned within the said period for reason(s) attributable to the OWNER or if commissioning and/or the Performance Test conducted indicates that the PLANT does not perform to the contractual specifications and requirements, then the Bank Guarantee(s) shall continue to be extended upto and until successful commissioning and Performance Tests of the PLANT. In either event, The OWNER will be entitled to encash the Bank Guarantee(s) if the Bank Guarantee is not extended, as the case may be, at least 14 (Fourteen) days prior to the date of expiry of Bank Guarantee(s). In such case, BG charges shall be reimbursed by Owner as per actuals.

The bank guarantee already running as Contract Security-Cum-Performance Bank Guarantee shall also be extended, by the CONTRACTOR so as to ensure validity of 06 months from the date of completion of DEFECT LIABILITY PERIOD.

- 2.0 In addition, within the Contract Price, the CONTRACTOR shall be required to maintain watch and ward of and ensure the safety and integrity of the PLANT until successful completion of the PLANT. If Commissioning of the PLANT commences later than 18 months from MECHANICAL COMPLETION, the OWNER and the CONTRACTOR shall agree upon the reasonable cost incurred for maintaining watch and ward and preservation and insurance of the PLANT beyond the said 18 months from MECHANICAL COMPLETION and upto commencement of Commissioning and/or PGTR, which shall be payable to the CONTRACTOR in addition to the contractual price payable.

- 3.0 The re-mobilisation and maintenance charges will be payable to the CONTRACTOR as per actual expense incurred by CONTRACTOR plus 10 % overheads. However, BG charges and insurance charges shall be paid as per actuals till successful PGTR, beyond 18 months from MECHANICAL COMPLETION. CONTRACTOR will provide documentary evidence e.g. PO copy, Invoices etc. for the actual expenses. The actual expenses being reimbursed to CONTRACTOR shall be certified by PROJECT MANAGER /Site In-charge of OWNER.
- 4.0 As and when the PLANT is ready to be commissioned, the OWNER shall give the CONTRACTOR notice of not less than 15 days for Commissioning the PLANT and CONTRACTOR shall completely remobilize for Commissioning within 15 days of notice.