

Ref: BHE/PW/PUR/MANUT-STR PHA (U-1 and 2) /1798/Corg-4

Date: 19/08/2017

-----Page 1 of 5-----

To  
ALL BIDDERS

**Sub: Corrigendum-04: Issue of Revised Chapter-VIII: Taxes and Other Duties and amended PVC (Clause no 2.17 of Vol IC GCC) clause.**

**Job:** ALL STRUCTURAL WORKS OF POWER HOUSE BLDG STR. (UNIT 1 &2), ESP CONTROL ROOM BLDG CWPB STR (UNIT 1 & 2). PIPE RACK STRUCTURE, CW TREATMENT, ACCESS WAYS/ PLATFORMS ETC WITHIN THE BATTERY LIMITS OF PLANT AREA UP TO FINAL PAINTING AND HANDING OVER TO CIVIL/MECHANICAL/ELECTRICAL AGENCIES AT 4 X 270 MW BHADRADRI THERMAL POWER STATION, MANUGURU, DISTT-BHADRADRI, KOTHAGUDEM, TELANGANA.

**References:-**

1. E-Tender Specification Nos: **BHE/PW/PUR/MANUT-STR PHA (U-1 and 2) /1798**

Bidders to kindly take note of the following:

**AA) Revised Chapter-VIII: Taxes and Other Duties Rev-01 dated 19/08/2017 of Volume IA TCC :**

**Chapter-VIII: Taxes and Other Duties Volume IA TCC is amended and attached with this corrigendum as Revised Chapter-VIII: Taxes and Other Duties Rev-01 dated 19/08/2017 issued with Corrigendum 04. Revised Chapter VIII shall only form part of contract.**

**BB) Amendment in clause 2.17 PVC of Vol-IC GCC:**

**Clause no 2.17 PVC of Vol-IC GCC STANDS DELETED.**

Amended Clause no. 2.17 of Vol-IC GCC regarding PVC is attached herewith this corrigendum as "Clause 2.17 (Price Variation Compensation) of Vol-IC GCC Rev 01 dated 19/08/2017". Amended Clause no. 2.17 of Vol-IC GCC issued with this corrigendum shall only form part of contract.

=====

All other Terms and conditions of the Tender Specification shall remain unaltered unless expressly amended by BHEL in writing.

Bidders are requested to submit as a part of their offer, a copy of this corrigendum duly Digitally countersigned by the authorized signatory as a token of Bidder's unqualified acceptance of this corrigendum.

BIDDERS MAY PLEASE NOTE THAT SUBJECT TENDER IS E-TENDER AND THE OFFER IS TO BE SUBMITTED ONLY IN E-PROCUREMENT PORTAL → <https://bheleps.buyjunction.in>

BIDDERS WHO HAVE ALREADY SUBMITTED THEIR OFFERS PRIOR TO ISSUANCE OF THIS CORRIGENDUM IN E-TENDER PORTAL ARE REQUIRED TO RE-SUBMIT THEIR OFFER AFTER TAKING COGNIZANCE OF THIS CORRIGENDUM.

**Ref:** BHE/PW/PUR/MANUT-STR PHA (U-1 and 2) /1798/Corg-4

Date: 19/08/2017

-----Page 2 of 5-----

Thanking you,  
Yours faithfully,

AGM (Purchase)

Encl:

1. Revised Chapter – VIII: Taxes and Other Duties Rev-01 dated 19/08/2017
2. Clause 2.17 (Price Variation Compensation) of Vol-IC GCC Rev 01 dated 19/08/2017

**Taxes and Other Duties**

- 1) **All taxes excluding GST, GST Cess & BOCW Cess** but including, Royalties, fees, license, deposits, commission, any State or Central Levy and other charges whatsoever, if any, shall be borne by you and shall not be payable extra.
- 2) Any increase of the taxes excluding GST, GST Cess & BOCW Cess, at any stage during execution including extension of the contract shall have to be borne by the contractor. Quoted/ accepted rates/ price shall be inclusive of all such requirements. Please note that since GST on output will be paid by BHEL separately as enumerated below, your quoted rates/ price should be after considering the Input Credit under GST law at your end.

3) **GST** :

GST along with Cess (as applicable) legally leviable & payable by the successful bidder as per GST Law, shall be paid by BHEL. Hence Bidder shall not include GST along with Cess (as applicable) in their quoted price.

The successful bidder shall furnish proof of GST registration. Registration should also bear endorsement for the premises from where the billing shall be done by the successful bidder on BHEL for this project/ work.

- 4) GST charged in the Tax Invoice/Debit note by the contractor shall be released separately to the contractor only after contractor files the outward supply details in GSTR-1 on GSTN portal and input tax credit of such invoice is matched with corresponding details of outward supply of the contractor and has paid the GST at the time of filing the monthly return

- 5) Bidder shall note that the GST Tax Invoice complying with GST Invoice Rules (Section 31 of GST Act & Rules referred there under) wherein the 'Bill To' details will as below :-

BHEL GSTN – As per **annexure -1**

NAME -- Bharat Heavy Electricals Limited

ADDRESS – Site address

- 6) Bidder to immediately intimate on the day of removal of Goods(in case of any supply of goods) to BHEL along with all relevant details and a scanned copy of Tax Invoice to below email ids to enable BHEL to meet its GST related compliances :-

Email id ---- to be intimated later on.

In case of delay in submission of the abovementioned documents on the date of despatch, BHEL may incur penalty /interest for not adhering to Invoicing Rules under GST Law. The same will be liable to be recovered from the successful bidder, if such delay is not attributable to BHEL.

# TECHNICAL CONDITIONS OF CONTRACT (TCC)

## Revised Chapter – VIII: Taxes and Other Duties Rev-01 dated 19/08/2017

---

- 7) In case of raising any Supplementary Tax Invoice (Debit / Credit Note) Bidder shall issue the same containing all the details as referred to in Section 34 read with Rule 53.
- 8) Bidder shall comply with the Time limit prescribed under the GST Law and rules thereof for raising of the tax invoice.
- 9) Bidder shall note that in case GST credit is delayed/ denied to BHEL due to delayed / non receipt of goods and /or tax invoice or expiry of the timeline prescribed in GST Law for availing such ITC, or any other reasons not attributable to BHEL, GST amount shall be recoverable from the vendor along with interest levied / leviable on BHEL, as the case may be.
- 10) Bidder shall upload the Invoices raised on BHEL in GSTR-1 within the prescribed time as given in the GST Act. Bidder shall note that in case of delay in declaring such invoice in your return and GST credit availed by BHEL is denied or reversed subsequently as per GST Law , GST amount paid by BHEL towards such ITC reversal as per GST law shall be recoverable from the bidder along with interest levied / leviable on BHEL.
- 11) Way Bill: Successful Bidder to arrange for way bill / e-waybill for any transfer of goods for the execution of the contract.

The Bidder has to make their own arrangement at their cost for completing the formalities, if required, with Issuing Authorities, for bringing materials, plants & machinery at site for execution of the works under this contract, Road Permit/ Way Bill, if required, shall be arranged by the contractor and BHEL will not supply any Road Permit/ Way Bill for this purpose.

- 12) **New taxes and duties**:-Any New taxes & duties, if imposed subsequent to due date of offer submission as per NIT & TCN, by statutory authority during contract period including extension, if the same is not attributable to you, shall be reimbursed by BHEL on production of relevant supporting document to the satisfaction of BHEL. However, you shall obtain prior approval from BHEL before depositing new taxes and duties.

Benefits and/or abolition of all existing taxes must be passed on to BHEL against new Taxes, if any, proposed to be introduced at a later date.

In case any new tax/levy/duty etc. becomes applicable after the date of bidder's offer but before opening of the price bid, the bidder must convey its impact on his price duly substantiated by documentary evidence in support of the same before opening of the price bids. Claim for any such impact after opening the price bid will not be considered by BHEL for reimbursement of tax or reassessment of offer.

- 13) For transportation work, GST is payable under reverse charge and same shall not be paid to bidder , however in case of GST registered transporter ,the amount to the extent of goods and service tax will be retained till BHEL avails the credit of GST. Bidder shall provide necessary assistance required by BHEL to avail credit of GST.

# TECHNICAL CONDITIONS OF CONTRACT (TCC)

## Revised Chapter – VIII: Taxes and Other Duties Rev-01 dated 19/08/2017

14) TDS under Income Tax shall be deducted at prevailing rates on gross invoice value from the running bills unless exemption certificate from the appropriate authority/ authorities is furnished.

15) TDS under GST (as & when applicable) shall be deducted at prevailing rates on applicable value from the running bills.

### Annexure-1

#### State wise GSTIN no.s of BHEL

Sl.No	Projects under state	GSTIN
1	Andhra Pradesh	37AAACB4146P7Z8
2	Bihar	10AAACB4146P1ZU
3	Chhattisgarh	22AAACB4146P1ZP
4	Gujarat	24AAACB4146P1ZL
5	Jharkhand	20AAACB4146P5ZP
6	Madhya Pradesh	23AAACB4146P1ZN
7	Maharashtra	27AAACB4146P1ZF
8	Orissa	21AAACB4146P1ZR
9	Telangana	36AAACB4146P1ZG

## Clause 2.17 (Price Variation Compensation) of Vol-IC GCC Rev 01 dated 19/08/2017

### 2.17 PRICE VARIATION COMPENSATION

2.17.1 In order to take care of variation in cost of execution of work on either side, due to variation in the index of LABOUR, HIGH SPEED DIESEL OIL, WELDING ROD, CEMENT, STEEL, MATERIALS, Price Variation Formula as described herein shall be applicable (*only for works executed during extended period, if any, subject to other conditions as described in this section*)

2.17.2 85% component of Contract Value shall be considered for PVC calculations and remaining 15% shall be treated as fixed component. The basis for calculation of price variation in each category, their component, Base Index shall be as under:

SL NO.	CATEGORY	BASE INDEX	PERCENTAGE COMPONENT ('K')				
			CIVIL PACKAGES (See Note A/B/C)			MECHANICAL PACKAGES	Electrical , C&I Material Management/ Handling and other labour oriented packages
			A	B	C		
i)	LABOUR (ALL CATEGORIES)	'MONTHLY ALL-INDIA AVERAGE CONSUMER PRICE INDEX NUMBERS FOR INDUSTRIAL WORKERS' published by Labour Bureau, Ministry of Labour and Employment, Government of India.  (Website: labourbureau.nic.in)	40	25	30	65	80
ii)	HIGH SPEED DIESEL OIL	Name of Commodity: HSD  Commodity Code: 1202000005 (See Note E)	5	3	5	5	5
iii)	WELDING ROD	Name of Commodity: MANUFACTURE OF BASIC METALS  Commodity Code: 1314000000 (See Note E)				15	
iv)	CEMENT	Name of Commodity: ORDINARY PORTLAND CEMENT  Commodity Code: 1313050003 (See Note E)		20	30		
v)	STEEL (Structural and Reinforcement Steel)	Name of Commodity: MILD STEEL: LONG PRODUCTS  Commodity Code: 1314040000 (See Note E)		25			
vi)	All OTHER MATERIALS (Other than Cement & Steel)	Name of Commodity: ALL COMMODITIES  Commodity Code: 1000000000 (See Note E)	40	12	20		

Note: A) Cement & Steel : Free Issue (BHEL Scope)

B) Cement & Steel : In Contractor Scope

C) Cement in Contractor Scope, and Steel is Free Issue (BHEL Scope)

D) For Composite packages (i.e. Civil+Mechanical+Electrical and/or CI or Civil+Mechanical or Mechanical+Electrical and/or CI), the COMPONENT ('K') for various categories shall be as per respective packages as above.

E) As per the 'MONTHLY WHOLE SALE PRICE INDEX' for the respective Commodity and Type, published by Office of Economic Adviser, Ministry of Commerce and Industry, Government of India. (Website: <http://eaindustry.nic.in/home.asp>). Revisions in the index or commodity will be re adjusted accordingly.

2.17.3 #

2.17.4 Payment/recovery due to variation in index shall be determined on the basis of the following notional formula in respect of the identified COMPONENT ('K') viz LABOUR, HIGH SPEED DIESEL OIL, WELDING ROD, CEMENT, STEEL, MATERIALS.

## **Clause 2.17 (Price Variation Compensation) of Vol-IC GCC Rev 01 dated 19/08/2017**

$$P = K \times R \times \frac{(X_N - X_0)}{X_0}$$

Where

P = Amount to be paid/recovered due to variation in the Index for Labour, High Speed Diesel Oil, Welding Rod, Cement, Steel and Materials

K = Percentage COMPONENT ('K') applicable for Labour, High Speed Diesel Oil, Welding Rod, Cement, Steel and Materials

R = Value of work done for the billing month (Excluding Taxes and Duties if payable extra)

X<sub>N</sub> = Revised Index for Labour, High Speed Diesel Oil, Welding Rod, Cement, Steel and Materials for the billing month under consideration

X<sub>0</sub> = Index for Labour, High Speed Diesel Oil, Welding Rod, Cement, Steel and Materials as on the Base date

- 2.17.5 **Base date shall be the calendar month of the schedule completion date (i.e. Actual start date + Scheduled Contractual completion period as per Letter of Intent/award and/or work order).**
- 2.17.6 PVC shall not be payable for the ORC amount, Supplementary/Additional Items, Extra works. However, PVC will be payable for items executed under quantity variation of BOQ items under originally awarded contract.
- 2.17.7 The contractor shall furnish necessary monthly bulletins in support of the requisite indices from the relevant websites along with his Bills.
- 2.17.8 The contractor will be required to raise the bills for price variation payments on a monthly basis along with the running bills irrespective of the fact whether any increase/decrease in the index for relevant categories has taken place or not. In case there is delay in publication of bulletins (final figure), the provisional values as published can be considered for payments and arrears shall be paid/recovered on getting the final values.
- 2.17.9 PVC shall be applicable only, during the extended period of contract (if any) after the scheduled completion period and for the portion of work delayed / backlog for the reasons not attributable to the Contractor.  
However total quantum of Price Variation amount payable/recoverable shall be regulated as follows:
- i. For the portion of shortfall/ backlog not attributable to contractor, PVC shall be worked out on the basis of indices applicable for the respective month in which work is done. Base index shall be applicable as defined in clause 2.17.5
  - ii. In case of Force majeure, PVC shall be regulated as per (a) or (b) below:
    - a) Force majeure is invoked before "base date"/"revised base date" (as explained below) OR immediately after "base date"/"revised base date" in continuation (i.e. during the period when PVC is not applicable):
      1. Base date shall be revised: Revised base date = Previous base date + duration of Force majeure.  
No PVC will be applicable for the work done till revised base date.
      2. PVC will be applicable for the work done after "base date"/"revised base date" as the case may be (during extended period when delay is not attributable to contractor). PVC shall be

## **Clause 2.17 (Price Variation Compensation) of Vol-IC GCC Rev 01 dated 19/08/2017**

=====

worked out on the basis of indices applicable for the respective month in which work is done with base index as on “base date”/“revised base date” as the case may be.

- b) Force majeure is invoked after “base date”/ “revised base date” as the case may be (during extended period when delay is not attributable to contractor) -
  - 1. PVC shall be applicable for the work done after revocation of force majeure.
  - 2. PVC for the work done after revocation of force majeure shall be worked out on the basis of indices applicable for the respective month in which work is done excluding the effect of change in indices during total period of Force majeure(s) invoked after “base date”/ “revised base date” as the case may be. Base index shall be taken as on “base date”/ “revised base date” as the case may be.
- iii. The total amount of PVC shall not exceed 15% of the cumulatively executed contract value. Executed contract value for this purpose is exclusive of PVC, ORC, Supplementary/Additional Items and Extra works except extra items due to quantity variation.