

**ANNEXURE-IV**

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

**1.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 lumpsum for which the tender is accepted, in the case of lumpsum 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.
- i) 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.

**2 Secrecy of Tender documents;**

2.1 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.

2.2 None of documents shall be used by the contractor for any purpose other than that of this contract.

2.3 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.

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

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. **Law Governing the Contract and Court of Jurisdiction.**

The contract shall be governed by the law for the time being in force in the Republic of India. The Civil Court at Bhopal shall alone have exclusive jurisdiction in regard to all claims in respect of this Contract

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 this firm shall not initiate the contract or release the contractor from execution of whole or any part of work comprised. There in according to drawings and specification or from any of his obligation under the contract.

7 **EARNEST MONEY**

i) Every tender must be accompanied by the prescribed amount of Earnest Money Deposit in full. EMD can be accepted in the form of FDR 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)

EMD amount in excess of ₹ 2 lakh (instead of ₹ 20 lakh in vogue Works Policy) may also be accepted in the form of BG.

EMD shall also be accepted in e-Mode (NEFT/RTGS/Net banking/POS/SB COLLECT etc.) The online receipt shall be enclosed along with the techno Commercial bid. For NEFT/RTGS payment, refer bank details as per Annexure "X". Tenders received without Earnest Money in full or not in the manner prescribed above will not be considered.

ii)The Earnest Money Deposit of the successful tenderer will be retained towards part of Security Deposit.

(iii) In the case of unsuccessful tenderer, the Earnest Money will be refunded after finalization of the tender and acceptance of award of work by successful bidder.

(iv) BHEL reserves the right of forfeiture of Earnest Money Deposit if:

- a) After opening the tender, the tenderer revokes his tender within the validity period or increases his earlier quoted rates.
- b) The tenderer Fails to submit 50% of the total security deposit before start of work if so warranted.
- c) The tenderer does not commence the work within the period as per LOI/ Contract. In case the LOI/contract is silent in this regard, it will be within 15 days after award of work.

**iv) ONE TIME EMD**

For SAS jobs, other than R&M jobs, the maximum value of EMD as well as one time EMD in a Unit (for exemption from payment of EMD with each such tender in that unit) will be five lakhs.

**8 Security Deposit:-**

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

8.2 **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.

8.3 **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) Electronic Fund Transfer mode via following link:

<https://www.bhelbpl.co.in/qcins/iccs.htm>

ii) 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,Bhopal)

ii) Securities available from Indian Post offices such as National Savings Certificates,

iii)Kisan Vikas Patras etc. (held in the name of Contractor furnishing the security and duly endorsed/ hypothecated/ pledged, as applicable, in favour of BHEL, Bhopal)

iv) Timely submission of Performance Security for execution of the contract

Bidder agrees to submit performance security required for execution of the contract within the time mentioned. In case of delay in submission of performance security, enhanced performance security which would include interest (SB/ rate I 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 defined in NIT contract, from the bills along with due interest"

8.4 **Collection of Security:** 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.

- 8.5 The recoveries made from running bills (cash deduction towards balance SD amount) can be released against submission of equivalent Bank Guarantee in acceptable form, but only once, before completion of work, with the approval of the authority competent to award the work. (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 can be released only after collection/ recovery of initial 50% Security Deposit).
- 8.6 Security Deposit shall be released to the Contractor upon fulfilment of contractual obligations as per terms of the contract.
- 8.7 The Security Deposit shall not carry any interest.
- 8.8 Contractor, who will be awarded work, have to deposit Security Deposit before start of the work..

9 **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.

- 9.1 As soon as possible after the contract is concluded, the Engineer-in-charge and the contractor shall be 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.
- 9.2 If the work be delayed by :
- a) Force majeure of
  - 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 where of in writing to the Engineer-in-charge but shall never the less use constantly his best endeavours 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.

- 9.3 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.
- 9.4 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.
- 9.5 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.
- 9.6. 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) Trade
- Change over subsequently if any shall be furnished by the contractor to the Engineer-in-charge.
- 9.7. 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 there to and rules and regulations from time to time.
- 9.8 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-contractors.
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 any thing which shall cause unnecessary disturbance or convenience to other workers.
12. **Worker Insurance**:- Contractor shall insure their men as per the workman'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 there of and the

contractor(s) shall given 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. **Compensation for delay:-**

If the contractor fails to maintain the required progress in terms of condition 13 or to complete the work and clear the site on or before the contract or extended date-period of completion, he shall, without prejudice to any other right or remedy of the company/corporation on account of such breach, pay as agreed compensation amount calculated as stipulated below or such smaller amount as may be fixed by the authority mentioned on schedule 'F' in the contract value condition 13 or that the work remains incomplete. This will also apply to items or groups of items for which separate period of completion has been specified. For this purpose the term 'Contract Value' shall be the value at contract rates of the work as ordered.

- a. Delay in Execution of work shall result in a penalty of ½ % per week subject to maximum 10 % of total contract value.

17. **Terms of Payment:**

- i) The Payment shall be made on monthly basis on submission of technically and commercially clear bill after every month through running bills within specified time on the basis of actual deployment only after the successful completion of work & submission of final bill.

Any disallowances of tax credit shall be recovered from contractor's bill when disallowance attributed to them. Payment of running bills shall be made within 60 days (45 days in case of MSMEs) from the date of submission of bills (measurement book) by the contractor, meeting all formalities and duly verified by Site Engineer.

- iii) Income tax /GST will be deducted from the bills as applicable.

18. **Defects Liability Period Guarantee:**

- a. 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 on 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.

21. **Arbitration and law:**

All disputes between the parties to the Contract arising out of or in relation to the Contract, other than those for which the decision of the Engineer in the Contract or any other person is expressed to be final and conclusive, shall after written notice by either party to the contract to the other party, be referred to sole arbitration of the General Manager or his nominee. The Arbitration shall be conducted in accordance with the provisions of the Indian Arbitration and Reconciliation Act, 1996.

ii. The parties to the Contract understand and agree that there will be no objection that the General Manager or the person nominated as arbitrator had earlier in his official capacity directly or indirectly dealt with the matters to which the Contract relates or that in the course of his official duties had expressed views on all or any of the matters in dispute or difference. The award of the arbitrator shall be final and binding on the parties to this contract.

iii. Work under the contract shall be continued by the contractor during the arbitration proceedings, unless the matter is such that the work cannot possibly be continued untill the dispute or differences are settled by the arbitration and save as those which are otherwise expressly provided in the contract.

iv. The arbitration proceedings shall be held at Bhopal. The jurisdiction of courts for these proceeding shall be at Bhopal.

22. **Jurisdiction:**The jurisdiction in all cases shall be at Bhopal alone.

Signature of the -----  
issuing officer  
Date:.....

Signature of the -----  
Contractor  
Date:.....

