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**SECTION – I**  
**Instructions to Tenderers**  
**GENERAL INSTRUCTION TO TENDERERS**


- 1.1 Submission of Tender in “Three Parts”.
- (1) Technical Tender: All particulars asked for from the Vendor except the Price Bid & E.M.D in an envelope.
  - (2) EMD in a sealed envelope clearly superscribing on the envelope “E.M.D”, the Tender Number, Name of Work, addresses of Vendor and addressee. One time EMD holders needn’t enclose this provided that proof of EMD remittance is enclosed in the technical tender.
  - (3) Price Bid in the price schedule enclosed in the tender, in sealed envelope, clearly superscribing “Price Bid”, Tender Number, Name of Work, Name of the Vendor and addressee.

*Note: However, in case of e-tender instructions mentioned in the NIT document to be followed.*

- 1.1.1 This Tender specification as a whole, duly furnishing the following details
- 1.1.1.1 Earnest Money Deposit.
  - 1.1.1.2 Income Tax Certificate.
  - 1.1.1.3 Detailed organisation chart for manpower resources available with the tenderer and to be employed for the present jobs.
  - 1.1.1.4 A list of experience as mentioned in the tender document.
  - 1.1.1.5 The details of the present jobs being handled.
  - 1.1.1.6 A certificate from the Scheduled Bank to prove his financial capacity/capability to undertake the work or solvency certificate from the concerned authority.
  - 1.1.1.7 Attested copies of partnership deed, power of attorney and tender specifications duly signed as mentioned in the tender documents.
  - 1.1.1.8 Price schedule and other relevant information.

*NOTE: All Xerox copies enclosed by the Vendor should be attested and sealed for authenticity.*

- 1.1.2 The tender shall be addressed to:
- Head/SCT  
BHARAT HEAVY ELECTRICALS LIMITED,  
POWER SECTOR SOUTHERN REGION,  
SERVICE AFTER SALES,  
EK TARA BUILDING, 39 SD ROAD,  
SECUNDERABAD – 500003.

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- 1.1.3 Tenders shall be opened by the authorised officer of BHEL at his office at the time and date as specified in the tender notice in the presence of such of those tenderers or their authorised representatives who may be present.
- 1.1.4 The Tenderer shall closely peruse all the clauses, specifications and drawings indicated in the Tender Documents before quoting. Should the tenderer have any doubt about the meaning of any portion of the Tender Specifications or find discrepancies or omission in the drawings or the tender documents issued are incomplete or shall require clarification on any of the technical aspect, scope of work etc., he shall at once contact the authority inviting the tender for clarification before the submission of the offer.
- 1.1.5 Before tendering, the tenderer is advised to inspect the site of work and the environments and be well acquainted with the actual working and other prevalent conditions, facilities available, position of material and labour. No claim will be entertained later on the ground of lack of knowledge.
- 1.1.6 Tenderers must fill up all the schedules and furnish all the required information as per the instructions given in various sections of the tender specification. Each and every page of the Tender Specification & declaration must be signed bearing seal and submitted along with the offers by the Tender in token of complete acceptance thereof. The information furnished shall be complete by itself. The booklet of G.S.C.C may be retained by the bidder if declaration is enclosed along with the bid duly filled in and signed and sealed. In case of e-tendering document digitally signing on cover page is also acceptable.
- 1.1.7 The tender shall quote the rates in English language and international numerals. The rates shall be in whole rupees. These rates shall be entered in figures as well as in words. For the purpose of the tender, the metric system of units shall be used.
- 1.1.8 All entries in the tender shall either be typed or be in ink. Erasures and overwriting are not permitted and may render such tenders liable to summary rejection. All cancellations and insertions shall be duly attested by the tenderer.
- 1.2 **Qualifications of Tenderers:**  
Only tenderers who have previous experience in work of this nature and description detailed in this tender specification and/or registered with BHEL, PSSR-SAS for such works are expected to quote for this work duly detailing their experience along with the offer. Offers from tenderers who do not have established experience in the field are not likely to be considered.

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**1.3 Data to be enclosed:**

Full information shall be given by the tender in respect of following. Non- submission of this information may lead to rejection of the offer/tender.

**1.3.1 Financial Status:**

- a) A certificate from the Scheduled Bank to prove his financial capacity/capability to undertake the work or solvency certificate from the concerned authority.
- b) Contractors other than those who are registered in PSSR SAS, should submit their audited annual accounts for three years preceding the financial year in which tenders are called for.

**1.3.2 Previous Experience:**

A statement giving particulars duly supported by documentary evidence of the various services rendered for each similar work by the tenderer indicating the particulars and value of each work, the site location and the duration and date of completion and also a list of site locations and particulars and value of various services that are under progress.

**1.3.3 Organisation Chart:**

The organisation pattern that is totally available with the tenderer and that will be employed by the tenderer for this work duly indicating the number of Engineers and Supervisors, their qualification and experience in the line, the number of skilled and unskilled workmen etc.

**1.3.4** An attested copy of the Power of Attorney, in case the tender is signed by an individual other than the sole proprietor, shall also be attached.

**1.3.5** In case of an individual:

His full name, address and place and nature of business.

**1.3.6** In case of Partnership firms:

The name of all the partners and their addresses. A copy of the Partnership Deed (Instrument of partnership) duly certified by the Notary Public shall be enclosed.

**1.3.7** In case of Companies:

Date and place of registration including Date of Commencement Certificate in case of public companies (certified copies of Memorandum and Articles of Associations are also to be furnished).


**1.3.8** Nature of business carried on by the Company and the provision of the Memorandum relating thereof.

**1.3.9** Names and particulars including addresses of all the Directors and their previous experience.

**1.3.10** A list of tools and tackles that the tenderer is having and those that will be earmarked for this job.

**1.3.11** In addition to the above, the particulars required in various annexures.

**1.4 EARNEST MONEY DEPOSIT (EMD):**


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- 1.4.1 Every tender Must be accompanied by the prescribed amount of Earnest Money Deposit in any one of the following forms:
  - 1.4.1.1 Cash deposit as permissible under the extant Income Tax Act (Before tender opening)
  - 1.4.1.2 Electronic Fund Transfer credited in Bharat Heavy Electricals Limited, PSSR SAS' account (before tender opening). RTGS details of BHEL-PSSR SAS is available in tender.
  - 1.4.1.3 Banker's Cheque/Pay Order/Demand Draft payable at Secunderabad duly pledged in Favour of Bharat Heavy Electricals Limited, Secunderabad (along with offer).
  - 1.4.1.4 Fixed Deposit Receipt (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).
  - 1.4.1.5 Any other mode as per latest guidelines issued by Govt. of India.
  - 1.4.1.6 In addition to above, the EMD amount in excess of Rs. 2 Lakh may also be accepted in the form of Bank Guarantee from scheduled bank. The Bank Guarantee in such cases shall be valid for atleast six months.
  - 1.4.1.7 Parties/bidders who have submitted/submits One Time EMD (OEMD) in this Power Sector Region (i.e. BHEL-PSSR) for Service After Sales (SAS) a sum of amount Rs. 5,00,000/- (Rupees Five Lakh only) are exempted from payment of E.M.D. on each such tender in that unit on case to case basis.
- 1.4.2 Tenders received without Earnest Money in full in the manner prescribed above are liable to be rejected. EMD shall not carry any interest.
- 1.4.3 The Earnest Money Deposit of the successful tenderer will be retained as part of Security Deposit.
- 1.4.4 EMD given by all unsuccessful tenderers shall be refunded normally within 15 days of award of work.
- 1.4.5 BHEL reserves the right of forfeiture of Earnest Money Deposit submitted by the tenderer if:-
  - a) After opening the tender and within the offer validity period, the tenderer revokes his tender or makes any modification in his tender which is not acceptable to BHEL.
  - b) The Contractor fails to deposit the required Security Deposit or commence the work within the period as per LOI/Contract.

EMD by the tenderer shall be withheld in case any action on the tenderer is envisaged under the provisions of extant "Guidelines on Suspension of business dealings with suppliers/contractors" and forfeited/released based on the action as determined under these guidelines".
- 1.5 **Authorisation and Attestation:**

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- 1.5.1 Tenders shall be signed by persons duly authorised/empowered to do so. Certified copies of such authority and relevant documents shall be submitted along with the tenders.
- 1.6 **Validity of Offer:**  
The rates in the tender shall be kept open for acceptance for a minimum period of six months from the due date of opening of tenders. If a tenderer withdraws or revokes his tender or increases the tender rates and/or conditions for any item within the aforesaid period, his Earnest Money Deposit is liable to be forfeited. In case the Bharat Heavy Electricals Limited calls for negotiations, such negotiation shall not amount to cancellation or withdrawal of the original offer which shall be binding on the tenderers.
- 1.7 **Execution of Contract:**  
The successful tender's responsibility under this contract commences from the date of issue of the Letter of Intent by Bharat Heavy Electricals Limited.
- 1.8 **Security Deposit (SD):**
- 1.8.1 Security Deposit means the security provided by the contractor towards fulfilment of any obligations in terms of the provisions of the contract. Upon acceptance of tender, the successful tenderer within the time specified in the Letter of Intent must deposit the required amount towards Security Deposit before start of the work. The Security Deposit shall not carry any interest.
- 1.8.2 The total amount of Security Deposit will be 5% (Five percent) of the contract value. EMD of the successful tenderer shall be converted and adjusted towards the required amount of Security Deposit.
- 1.8.3 If the value of the work done at any time exceeds the accepted agreement value, the Security Deposit shall be correspondingly enhanced and the additional Security Deposit shall immediately be deposited by the contractor or recovered from payments due to the contractor.
- 1.8.4 Regarding adjustment of Earnest Money Deposit towards part of Security Deposit, refer clause 1.8.2 above, the successful tenderer shall not commence any work under the contract before remitting the Security Deposit except as directed by BHEL.
- 1.8.5 Failure to deposit the Security within the stipulated time may lead to forfeiture of Earnest Money and cancellation of the award of work.
- 1.8.6 The balance amount to make up the required Security Deposit of 5% of the contract value may be furnished in any one of the following forms:
- Cash (as permissible under the Income Tax Act)

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- ii) Local cheques of scheduled banks (subject to realization)/Pay Order/Demand Draft/Electronic Fund Transfer credited in Bharat Heavy Electricals Limited, PS-SR' account.
- iii) Bank Guarantee from Scheduled Banks / Public Financial Institutions as defined in the Companies Act. The Bank Guarantee format should have the approval of BHEL. Bank Guarantee for S.D. must be posted by the Bank by registered post directly to us, and it should not be submitted by the bidder directly to us.
- iv) 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).
- v) 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).
- vi) Any other mode as per latest guidelines issued by Govt. of India.


*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.*

#### 1.8.7 Collection of Security Deposit:

- 1.8.7.1 At least 50% of the required Security Deposit, including EMD, should be collected before start of 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 amount of the required Security Deposit is collected.
- 1.8.7.2 If the value of the work done at any time exceeds the accepted agreement value, the Security Deposit shall be correspondingly enhanced and the additional Security Deposit shall immediately be deposited by the contractor or recovered from payments due to the contractor.
- 1.8.7.3 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, subject to approval of BHEL.
- 1.8.7.4 Security Deposit should cover up to the period of guarantee also.


*(Note: In case of 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).*



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- 1.8.8 BHEL reserves the right of forfeiture of Security Deposit in addition to other claim and penalties in the event of the contractor's failure to fulfil any of the contractual obligations including statutory or in the event of termination of contract as per terms and conditions of contract.
- 1.8.9 **Return of Security Deposit:**  
If the contractor duly performs and completes the contract in all respects to the entire satisfaction of BHEL, and presents an absolute "No Demand Certificate" in the prescribed form and return properties belonging to BHEL handed over, lent or hired by him for carrying out the said works the security deposit will be released to the contractor after deducting all costs or expenses or other contracts entered into with the contractor, only after the satisfactory completion of guarantee period as per clause 2.12.
- 1.8.10 No interest shall be payable by BHEL on Earnest Money / Security Deposit or any money due to the contractor from BHEL.
- 1.8.11 In no case Security Deposit can be released before settling all claims under this contract.
- 1.9 **Rejection of Tender and other conditions:**
- 1.9.1 The acceptance of tender will rest with BHEL which does not bind itself to accept the lowest tender or any tender and reserves to itself full rights for the following without assigning any reasons whatsoever:
- to reject any or all of the tenders.
  - To split up the work amongst two or more tenderers.
  - To award the work in part.
  - Either of the contingencies stated in (b) and (c) to modify the time for completion suitably.
  - To modify the scope of work after mutual agreement.
- 1.9.2 Conditional and unwitnessed tenders:  
Tenders containing absurd or unworkable rates and amounts and tenders which are incomplete and otherwise considered defective and tenders not in accordance with the tender conditions, specifications etc. are liable to be rejected.
- 1.9.3 If a tenderer expires after his submission of the tender or after the acceptance of his tender, BHEL may at their discretion, cancel such tender. If a partner of a firm expires after the submission of the tender or after the acceptance of the tender, BHEL may cancel such tender at their discretion unless the firm retains its character.
- 1.9.4 BHEL will not be bound by any Power of Attorney granted by the tenderer or by changes in the compositions of the firm made subsequent to the execution of the contract. They may, however, recognise such



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- power of Attorney and changes after obtaining proper legal advice, the cost of which will be chargeable to the contractor concerned.
- 1.9.5 If the tenderer deliberately gives wrong information in his tender, BHEL reserves the right to reject such tender at any stage or to cancel the contract, if awarded and forfeit the Earnest Money/Security Deposit.
- 1.9.6 Canvassing in any form in connection with the tenders is strictly prohibited and the tenders submitted by the contractor who resort to canvassing are liable to rejection.
- 1.9.7 Should a tenderer or contractor or in the case of a firm or Company of Contractors one or more of its Partners/shareholders/Directors have a relation or relations employed in the capacity of an officer of BHEL, the authority inviting tender shall be informed of the fact along with the offer, failing this, BHEL may at its sole discretion, reject the tender or cancel the contract and forfeit the Earnest Money/Security Deposit.
- 1.9.8 The successful tenderer should not sub-contract the part or complete work detailed in this tender specification undertaken by him without permission of BHEL. The tenderer is solely responsible to BHEL for the work awarded to him. Any deviation in this regard will entail termination of such contract by BHEL at the risk and responsibility of contractor.
- 1.9.9 The successful tenderer shall inform /keep BHEL informed if he has already undertaken any work/is likely to be awarded any job with the same customer with whom BHEL is entering into contract.

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## SECTION – II

### GENERAL TERMS & CONDITIONS OF THE CONTRACT

#### 2.1 **Definition:**

The following terms and expressions shall have the meaning hereby assigned to them except where they context otherwise requires:


- 2.1.1 'BHEL' (or B.H.E. Ltd.) shall mean Bharat Heavy Electricals Limited, a company registered under Indian Companies Act., 1956, with its Registered Office at BHEL House, SIRI FORT, NEW DELHI-110049 and SAS Office address Power Sector Southern Region-Services After Sales, EK Tara Building, 39 SD Road, Secunderabad – 500003 or its Administrative officers or its site Engineer or the employees authorised to deal with any matters with which these persons are concerned on its behalf.
- 2.1.2 "GENERAL MANAGER"/DEPUTY IN CHARGE" shall mean the Officer in Administrative charge of BHEL, PS-SR, SAS – Services, Secunderabad.
- 2.1.3 "ENGINEER" or "ENGINEER IN CHARGE" shall mean Engineer deputed by BHEL. The terms include "SITE ENGINEER", "RESIDENT ENGINEER" and "ASSISTANT SITE ENGINEER" of BHEL at the site as well as the officers in-charge at SAS Secunderabad office.
- 2.1.4 "SITE" shall mean the place or places at which the plants/equipment are to be overhauled and services are to be performed as per the specification of this contract.
- 2.1.5 "CLIENTS OF BHEL" or "CUSTOMER" shall mean the Project authorities to whom BHEL is supplying the equipment/services.
- 2.1.6 "CONTRACTOR" shall mean the individual, firm or company who enters into this contract with BHEL and shall include their executors, administrators, successors and permitted assigns.
- 2.1.7 "CONTRACT" or "CONTRACT DOCUMENT" shall mean and include the agreement or work order, the accepted appendices of rates, schedule of quantities, if any and general condition of contract, the special conditioning of contract instructions of the tenderers, the drawings, the specifications, the special specification, if any, the tender specifications, the special specification, if any, the tender documents and the Letter of Intent/Accepting Letter issued by BHEL. Any conditions or terms stipulated by the contractor in the tender documents or supporting letters shall not form part of the contract unless specifically accepted in writing by BHEL and incorporated in the agreement.
- 2.1.8 "GENERAL CONDITIONS OF CONTRACT" shall mean the instructions to tenderers and general conditions of contract pertaining to the work detailed.

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- 2.1.9 "TENDER SPECIFICATION" shall mean the "Specific Conditions, technical specifications, appendices, site information and drawings, "pertaining to the work for which the tenderers are required to submit their offer. Also this will include the specifications detailed in NIT of client of BHEL for overhauling, erection, testing and commissioning of plant. Individual specification no. will be assigned to each tender specification.
- 2.1.10 "TENDER DOCUMENTS" shall mean the General conditions of contract (2.1.8) and tender specification (2.1.9)
- 2.1.11 "LETTER OF INTENT" shall mean the intimation by a letter to the tenderer that the tender has been accepted in accordance with provisions contained in that letters. The responsibility of the contractor commences from the date of issue of this letter and all the terms and conditions of contract are applicable from this date.
- 2.1.12 "COMPLETION TIME" shall mean the period by date specified in the acceptance of tender for handing over the overhauled equipment/plant which are found acceptable by the engineer being of required standard and conforming to the specification of the contract or recommissioning of the machine Successfully whichever is later. Completion time will be reckoned from the date of LOI with the period for mobilisation as prided with LOI, added to the same.
- 2.1.13 "PLANT" shall mean and connote the entire assembly of the plant and equipments covered by the contract.
- 2.1.14 "EQUIPMENT" shall mean all equipments, machineries, materials, structurals, electricals and other components of the plant covered by the contract.
- 2.1.15 "TESTS" shall mean and include such test or tests to be carried out on the part of the contractor as are prescribed in the contract or considered necessary by BHEL, in order to ascertain the quality workmanship, performance and efficiency of the contract work or part thereof.
- 2.1.16 "APPROVED" "DIRECTED" or "INSTRUCTED" shall mean approved, directed or instructed by BHEL.
- 2.1.17 "WORK OR CONTRACT WORK" shall mean and include supply of all categories of labour, specified consumables, tools and tackles required for complete and satisfactory site Transportation, handling, stacking, storing, overhauling erection, testing and commissioning of the equipment to the entire satisfaction of BHEL.
- 2.1.18 "SINGULAR AND PLURAL ETC" words carrying singular number shall also include plural and vice versa, where the context so requires, words importing the masculine gender shall be taken to include any company or Association or body of individuals, whether incorporated or not.

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- 2.1.19 "HEADINGS" The Leadings in these general conditions are solely for the purpose of facilitating reference and shall not be deemed to be part thereof or be taken into consideration in interpretation or construction thereof or of the contract.
- 2.1.20 "MONTH" shall mean calendar month.
- 2.1.21 "WRITING" shall include any manuscript, type written or printed statement under the signature or seal as the case may be.
- 2.2 **Law governing the contract and Court Jurisdiction:**  
The contract shall be governing by the Law for the time being in force in the Republic of India. The Civil Court having ordinary original civil jurisdiction, Hyderabad shall alone have exclusive Jurisdiction in regard to all claims in respective of this contract.
- 2.3 **Issue of Notice:**  
The contractor shall furnish to the BHEL Engineer the name, designation and address of his authorised agent and all complaints, notices, communications and reference shall be deemed to have been duly given to the contractor if delivered to the contractor or his authorised agent or left at or posted to the address either of the contractor or of his representative and shall be deemed to have been so given in the case of posting on the day on which they would have reached such address in the ordinary course of post or on which they were so delivered or left.
- 2.4 **Use of Land:**  
No land belonging to BHEL or their customer, under temporary possession of BHEL shall be occupied by the contractor without the written permission of BHEL.
- 2.5 **Commencement of Work:**
- 2.5.1 The contractor shall commence the work within the time indicated in the Letter of Intent from BHEL and shall proceed with the same with due expedition without delay. For computing the scheduled completion date, commencement of work will be reckoned from the date of complete mobilisation as per LOI, unless specifically amended by Head (Services), BHEL, PSSR SAS.
- 2.5.2 If the successful tenderer fails to start the work within the stipulated time, BHEL as its discretion will have the right to cancel the contract. His Earnest Money and / or Security Deposit with BHEL will stand forfeited without any further reference to him, without prejudice to any and all of BHEL's other rights and remedies in this regard.
- 2.5.3 All the works shall be carried out under the direction and to the satisfaction of BHEL.

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- 2.5.4 The erected overhauled plant or work performed under the contract shall be taken over when it has been completed in all respects and or satisfactorily put into operation at site.
- 2.6 **Mode of payment and measurement of the work completed.**
- 2.6.1 “All payment due to the contractor shall be paid only by Account payee Cheques” or through NEFT.
- 2.6.2 The contractor shall present his bill on the format prescribed by BHEL for every payment. After verification of such bills by BHEL, all items having financial value shall be entered and certified in BHEL Measurement Book by BHEL Engineer and the bills prepared based on the same and connected technical documents which form part of this tender specification.
- 2.6.3 Lump sum omission will be entered for deduction. Measurement shall be restricted to that for which it is required to ascertain the financial liability of BHEL under this Contract.
- 2.6.4 Work which is to be measured in details shall be measured as per standard procedure without reference to any local procedures excepting where it is otherwise stated in the tender documents. The measurement shall be taken jointly by person duly authorised on the part of BHEL and by the contractor.
- 2.6.5 If, at any time due to reason whatsoever, it becomes necessary to remeasure the work done in full or in part, the expenses towards such remeasurement shall be borne by the contractor.
- 2.6.6 The contractor shall bear the expenditure involved, if any in making the measurement. The Contractor shall, without extra charges, provide all the assistance with appliances and other things necessary for measurement.
- 2.6.7 The measurement entered in the Measurement Books and the bills prepared shall be signed with dates by both the contracting parties.
- 2.6.8 The Contractor will be intimated in writing by the site Engineer, the proposed date of measurement. If the contractor, representative fails to participate in the joint measurement, the BHEL engineer shall have the power to proceed by himself to take measurement in which case the measurement shall be accepted by the contractor as final.
- 2.6.9 Passing of measurement as per bills does not amount to acceptance of the completion of work mentioned. Any left out work has to be completed if pointed out by BHEL at a later date.
- 2.7 **Rights of BHEL:**
- 2.7.1 To withdraw any portion of work and/or to restrict / alter the quantum of work as indicated in the contract during the progress of work and get it done through other agency and/or by departmental labour to suit BHEL’s commitment to its customer or in case BHEL decides to advance

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the date of completion due to other emergency reasons / BHEL's obligation to its customer.

2.7.2 To terminate the contract or withdraw portion of work and get it done through other agency, at the risk and cost of the contractor after due notice of a period of 14 days' by BHEL in any of the following cases:

- i) Contractor's poor progress of the work vis-à-vis execution timeline as stipulated in the Contract, backlog attributable to contractor including unexecuted portion of work does not appear to be executable within balance available (#) period considering its performance of execution.
- ii) Withdrawal from or abandonment of the work by contractor before completion of the work as per contract.
- iii) Non-completion of work by the Contractor within scheduled completion period as per Contract or as extended from time to time, for the reasons attributable to the contractor.
- iv) Termination of Contract on account of any other reason (s) attributable to Contractor.
- v) Assignment, transfer, subletting of Contract without BHEL's written permission.
- vi) Non-compliance to any contractual condition or any other default attributable to Contractor.

*(#) In-case inputs from BHEL/Customer are likely to be delayed or are actually delayed, this delay may also be taken into account while considering balance period available for execution of Contract.*

Risk & Cost Amount against Balance Work:

Risk & Cost amount against balance work shall be calculated as follows:

Risk & Cost Amount=  $[(A-B) + (A \times H/100)]$

Where,

A= Value of Balance scope of Work (\*) as per rates of new contract

B= Value of Balance scope of Work (\*) as per rates of old contract being paid to the contractor at the time of termination of contract i.e. inclusive of PVC, if any.


H = Overhead Factor to be taken as 5

In case (A-B) is less than 0 (zero), value of (A-B) shall be taken as 0 (zero).

(\*) Balance scope of work (in case of termination of contract):

Difference of Contract Quantities and Executed Quantities as on the date of issue of Letter for 'Termination of Contract', shall be taken as balance scope of Work for calculating risk & cost amount. Contract quantities are the quantities as per original contract. If, Contract has been amended, quantities as per amended Contract shall be considered as Contract Quantities.



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Items for which total quantities to be executed have exceeded the Contract Quantities based on drawings issued to contractor from time to time till issue of Termination letter, then for these items total Quantities as per issued drawings would be deemed to be contract quantities.

Substitute/ extra items whose rates have already been approved would form part of contract quantities for this purpose. Substitute/ extra items which have been executed but rates have not been approved, would also form part of contract quantities for this purpose and rates of such items shall be determined in line with contractual provisions.

However, increase in quantities on account of additional scope in new tender shall not be considered for this purpose.

*NOTE: In-case portion of work is being withdrawn at risk & cost of contractor instead of termination of contract, contract quantities pertaining to portion of work withdrawn shall be considered as 'Balance scope of work' for calculating Risk & Cost amount.*


LD against delay in executed work in case of Termination of Contract:

LD against delay in executed work shall be calculated in line with LD clause as per GCC/SCC/TCC/Special note/any other annexure of tender document (in compliance with order of precedence), for the delay attributable to contractor. For limiting the maximum value of LD, contract value shall be taken as Executed Value of work till termination of contract.

Method for calculation of "LD against delay in executed work in case of termination of contract" is given below.

- i) Let the time period from scheduled date of start of work till termination of contract excluding the period of Hold (if any) not attributable to contractor = T1
- ii) Let the value of executed work till the time of termination of contract= X
- iii) Let the Total Executable Value of work for which inputs/fronts were made available to contractor and were planned for execution till termination of contract = Y
- iv) Delay in executed work attributable to contractor i.e.  $T2 = [1 - (X/Y)] \times T1$
- v) LD shall be calculated in line with LD clause [as per GCC/SCC/TCC/Special note/any other annexure of tender document (in compliance with order of precedence)] of the Contract for the delay attributable to contractor taking "X" as Contract Value and "T2" as period of delay attributable to contractor.



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2.7.3 Recoveries arising out of Risk & Cost and LD or any other recoveries due from Contractor

Following sequence shall be applicable for recoveries from contractor:

- a) Dues available in the form of Bills payable to contractor, SD, BGs against the same contract.
- b) Demand notice for deposit of balance recovery amount shall be sent to contractor, if funds are insufficient to effect complete recovery against dues indicated in (a) above.
- c) If contractor fails to deposit the balance amount to be recovered within the period as prescribed in demand notice, following action shall be taken for balance recovery:
  - i) Dues payable to contractor against other contracts in the same Region shall be considered for recovery.
  - ii) If recovery cannot be made out of dues payable to the contractor as above, balance amount to be recovered, shall be informed to other Regions/Units for making recovery from the Unpaid Bills/Running Bills/SD/BGs/Final Bills of contractor.
  - iii) In-case recoveries are not possible with any of the above available options, Legal action shall be initiated for recovery against contractor.

2.7.4 To terminate the contract or to restrict the quantum of work and pay for the portion of work executed in case BHEL's contract with their customers are terminated for any reason.

2.7.5 While every endeavour will be made by BHEL they cannot guarantee uninterrupted work due to conditions beyond their control. Contractor will not be entitled to any compensation / extra payment on this account.

2.7.6 Short closure of contract

In the unforeseen event of inordinate delay in receipt of materials, drawings, fronts, etc, due to which inordinate discontinuity of work is anticipated, BHEL at its discretion may consider contractor's request to short close the contract in following cases:

- a) The balance works (including but not limited to successful commissioning etc.) are minor vis a vis the scope of work envisaged as per the contract.
- b) There has been no significant work in past 6 months OR no significant work is expected in next 6 months (example in Hydro projects or in projects where work has stopped due to reasons beyond the control of BHEL)
- c) The balance works cannot be done within a reasonable period of time as they are dependent on unit shut down or on other

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facilities of customer or any other reasons not attributable to the contractor

At the point of requesting for short closure, contractor shall establish that he has completed all works possible of completion and he is not able to proceed with the balance works due to constraints beyond his control. In such a case, the estimated value of the unexecuted portion of work (or estimated value of services to be provided for carrying out successful commissioning etc.) as mutually agreed, shall however be reduced from the final contract value.

- 2.7.7 In case the execution of works comes to a complete halt or reaches a stage wherein worthwhile works cannot be executed and there is no possibility of commencement of work for a period of not less than two months, due to reasons not attributable to the contractor and other than Force Majeure conditions, BHEL may consider permitting the contractor to de mobilize forthwith and re mobilize at an agreed future date. Cost of such demobilization/remobilization shall be mutually agreed. The duration of contract/time extension shall accordingly get modified suitably. In case of any conflict, BHEL decision in this regard shall be final and binding on the contractor.


## 2.8 **Responsibilities of the Contractor:**

The following are the responsibilities of the contractor in respect of observation of local laws, employment of personnel, payment of taxes and execution of job etc.

- 2.8.1 As far as possible, unskilled workers shall be engaged from the local areas in which the work is being executed.
- 2.8.2 The Contractor at all times during the continuance of this contract, shall in all his dealing with local labour for the time being employed on or in connection with the work, have due regard to all local festivals and religious and other customs.
- 2.8.3 The contractor shall comply with all state and central Laws, Statutory Rules, Regulations etc., such as:  
The payment of wages Act, Minimum Wage Act, Workmen compensation Act, Employers Liability Act, Industrial Disputes Act, Employees Provident Fund Scheme, Employees Insurance Scheme, Contract Labour (Regulation & Abolition) Act 1970 and other Acts, Rules & Regulations

for labour as may be enacted by the Government during the tenure of the Contract and having force or jurisdiction at site. The Contractor shall give to the local Governing Body, Police and other relevant authorities all such notices as may be required by law.

- 2.8.4 The Contractor shall pay all taxes, fees, licence charges, deposits duties, tolls, royalty, commission or other charges which may be leviable on


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account of any of his operations in executing the contract. In case, BHEL is forced to pay any of such taxes, BHEL shall have the right to recover the same from the contractor either from his bills or otherwise as deemed fit.

- 2.8.5 The Contractor shall be responsible for provision of health and sanitary arrangements, more particularly described in contract Labour (Regulation & Abolition Act) safety precautions etc., as may be required of same and satisfactory execution of the contract.
- 2.8.6 The contractor shall fulfil all his obligation in respect of accommodation including proper medical facilities for the personnel employed by him.
- 2.8.7 The contractor shall be responsible for the proper behaviour at site and observance of all regulations by the staff employed by him.
- 2.8.8 The Contractor shall ensure that no damage is caused to any person / property of other parties working at site. If any such damages is caused, it is the responsibility of the contractor to make the losses or compensate for the same.
- 2.8.9 All the properties / equipments / components of BHEL / their client loaned with or without deposit to the contractor in connection with the contract shall remain the properties of BHEL / their client. The Contractor shall use such properties for the purpose of execution of this contract. All such properties / equipment / components shall be deemed to be in good condition when received by the contractor unless he notified within 48 hours to the contrary. The Contractor shall return them in good conditions as and when required by BHEL / their client. In case of case of non-return, loss damage, repairs, etc. the cost thereof, as may be fixed by the site Engineer, will be recovered from the contractor.
- 2.8.10 It is not obligatory on the part of BHEL to supply any tools and tackles or other materials other than those specifically agreed to do so by BHEL. However, depending upon the availability / possibility BHEL's customers' handling equipment and other plants may be made available to the contractor on payment of the hire charges / free of charges as fixed, subject to the condition laid down by BHEL & Customer from time to time, Unless paid in advance, such hire charges if applicable shall be recovered from contractor's bill / security Deposit in one instalment.
- 2.8.11 The contractor shall not claim any compensation of the scope of the work, due to changes in design which curtails quantum.
- 2.8.12 The Contractor shall fully indemnify BHEL against all claims of whatsoever nature arising during the course of erection / overhauling / performing work under the contract.


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- 2.8.13 In case the contractor is required to undertake any major work outside the scope of this contract the rates payable shall be decided by BHEL Resident Engineer.
- 2.8.14 The contractor shall keep the area of work clean and shall remove debris etc., while executing day to day work. Upon completion of work, the contractor shall remove from the vicinity of work, all scrap, packing materials, rubbish, unused and other materials and deposit them in places to be specified by the BHEL Engineer. The contractor will also demolish all hutments, sheds, partitions, offices, constructed and used by him and shall clean the debris. In the event of his failure to do so, the same will be arranged to be removed by the BHEL. The expenses thereof will be recovered from contractor.
- 2.8.15 The contractor shall arrange and co-ordinate his work in such a manner as to cause no inconvenience to other agencies working in the area.
- 2.8.16 All safety rules and codes applied by the client / BHEL at site shall be observed by the contractor without exception. The contractor shall be responsible for the safety of the equipment / material and work to be performed by him and shall maintain all light, fencing guards, signs etc. or other protection necessary for the purpose. Contractor shall also take such additional precautions as may be indicated from time to time by the Engineer with a view to prevent pilferage, accidents, fire hazards and atmospheric conditions. Suitable number of electrical staff, watch and ward, store keepers to take care of the equipment, materials and construction tools and tackles, shall be posted at site by the contractor till completion of the work under this contract. The contractor shall arrange for such safety devices as are necessary for such type of work and carry out the requisite tests of handling equipment, lifting tools, tackles etc., as per prescribed standards and practices.
- 2.8.17 The contractor will be directly responsible for payment of wages to his workmen. A pay roll sheet giving all the payments given to workers and duly signed by the contractor's representative should be furnished to BHEL site office for record purpose. BHEL site In-charge may be intimated the date of disbursement of wages to the workmen engaged for the work, so that his representative can witness the same.
- 2.8.18 The intent of specification, is to provide services according to most modern and proven techniques and codes. The omission of specific reference to any method, requirement or material necessary for the proper and efficient performance of work shall not relieve the contractor of the responsibility of providing such facilities to complete the work.
- 2.8.19 In case of any clause of the work for which there is no such specification as laid down in the contract, such work shall be carried out in

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accordance with the instructions and requirements of the BHEL Engineer.

- 2.8.20 No levy or payment or charge made or imposed shall be impeached by reason of any clerical error or by reason of any mistake in the amount levied or demanded or charged.
- 2.8.21 The details drawings, specifications, instructions manual, if any available with the BHEL Engineer will form part of tender specification. These documents will be made available for reference only to the contractor during execution of work.
- 2.8.22 Should any error or ambiguity be discovered in the specification or information, the contractor shall forthwith bring the same to the notice of BHEL before commencement of work. BHEL's interpretation in such cases shall be final and binding on the contractor.
- 2.8.23 No idle labour charges will be admissible in the event of any stoppage caused in the work resulting in contractor's labour being rendered idle due to any cause of any type.
- 2.8.24 No overrun charges shall be paid in the event of the completion period being extended for any reason whatsoever.
- 2.8.25 It is possible that some repair/rectification, modification may be needed on the equipments to be overhauled / work to be performed under this specification, for reasons not attributions to the contractor. All such repair / rectification / modification work which can be done, with the available facilities at site shall be carried out by the contractor free of cost and no extra charges shall be paid to contractor.
- 2.8.26 The quality and progress of work will be regularly reviewed. The schedule and progress of work will be given to the contractor in advance and it will be the obligation / responsibility of the contractor to achieve the desired quality and progress of work by suitably reinforcing their labour force and/or by working extra hours or in more than one shift without any extra cost. Workmen found unsuitable for the work will be replaced immediately by the contractor on being informed by BHEL.
- 2.8.27 During the overhauling work under the contract it is very essential that proper and adequate inspection should made constantly to maintain the quality or workmanship so that any deviation from design dimension does not exceed permissible limits. The proper functioning of the unit, while in operation, depends to a great extent on the above factors. The fact that effective supervision and inspection at the execution stage is less costly than any down time of running unit even for a short period need not be over emphasized. For the details regarding alignment and permissible dimensional deviations in the sub-assemblies BHEL Engineer may be consulted.

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- 2.8.28 The contractor shall furnish daily labour report showing by classification of number of employees engaged in various categories or work date wise and submit a progress report of work as required by BHEL Engineer.
- 2.8.29 The contractor shall execute the work in the most substantial and workmen-like manner in stipulated time. Accuracy of work and timely execution are the essence of this contract. The contractor shall be responsible to ensure that the assembly and workmanship conform to the dimensions and clearances given in the drawings and/or as per instructions of BHEL Engineers.
- 2.8.30 The contractor shall take all responsible care to protect the materials and work till such time the plant/equipment has been taken over by BHEL / their client. Where necessary, suitable temporary fencing and lighting shall have to be provided by the contractor as a safety measure against accident and damage of property of BHEL. Suitable caution notice shall be displayed where access to any part may be deemed to be unsafe and hazardous.
- 2.8.31 It will be the responsibility of the contractor to ensure safe lifting of the equipments taking due precautions to avoid any accidents and damage to other equipments and personnel.
- 2.9 **Insurance:**
- 2.9.1 BHEL / their customer shall arrange for insuring the materials / properties of BHEL/customer covering risks during transit, storage, overhauling, erection and commissioning.
- 2.9.2 It is the sole responsibility of the contractor to insure his workman against accident and injury while at work as required by relevant rules and to pay compensation, if any, to workmen as per workmen's compensation Act. Contractor shall insure his staff against accidents. The work will be carried out in a protected area and all the rules and regulations of the client / BHEL in the area of project which are in force from time to time, will have to be followed by the contractor.
- 2.9.3 If due to negligence and /or non-observations of safety and other precautions, any accident / injury occurs to any other person/public, the Contractor shall have to pay necessary compensation and other expenses, if so decided by the appropriate authorities. Third party insurance coverage is to be made by the contractor.
- 2.9.4 If due to contractor's carelessness, negligence or non-observance of safety precautions damage to BHEL's /Customer's property and personnel should occur, and if BHEL is unable to recover, in full, cost from the Insurance Company, the balance will be recovered from the Contractor.



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**2.10 Strikes & Lockouts :**

The contractor will be fully responsible for all the disputes and other issues connected with his labour. In the event of the contractor's labour resorting to strike or the lockout declared is not settled within a period of one week BHEL shall have the right to get the work executed employing the own labour or through any other agencies or both and the cost so incurred by BHEL, shall be deducted from the contractor's bills as per clause 2.7. For all purposes whatsoever, the employees of the contractor shall not be deemed to be in the employment of BHEL.

**2.11 Force Majeure :**

**2.11.1** The following shall amount to Force Majeure:

Acts of God, Acts of any Government, war, sabotage, riots, civil commotion, police action, revolution, flood, fire, cyclones, earthquake and epidemic and other similar causes over which the contractor has no control.

**2.11.2** If the contractor suffers delay in the due execution of the contractual obligation due to delays caused by Force Majeure as defined above, the agreed time of completion of the job covered by this contract or the obligations of the Contractor shall be extended by a period of time equal to the period of delay provided that on the occurrence of any such contingency the Contractor immediately reports to BHEL in writing the causes of delay and the contractor shall not be eligible for any compensation.

**2.12 Performance Guarantee:**


Even though the work will be carried out under supervision of BHEL Engineers. The contractor shall guarantee against defects attributable to faulty workmanship or procedure adopted in the overhaul for items covered in the contract for a period of six months from the date of re-commissioning of the set after the capital overhaul. The guarantee should cover all defects notified during this period and shall have to be attended to free of cost immediately or at the time our clients are able to give shut down of the set for the required period. when necessary. In case of failure of contractor to attend to such defects as and when required in time, BHEL shall arrange to attend the defects and the charges shall be levied to contractor's account and shall be recoverable from the security deposit / progressive payments.

**2.13 ARBITRATION & CONCILIATION:**

**2.13.1** ARBITRATION:

**2.13.1.1** Except as provided elsewhere in this Contract, in case Parties are unable to reach amicable settlement (whether by Conciliation to be conducted as provided in Clause 2.13.2 herein below or otherwise) in



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respect of any dispute or difference; arising out of the formation, breach, termination, validity or execution of the Contract; or, the respective rights and liabilities of the Parties; or, in relation to interpretation of any provision of the Contract; or, in any manner touching upon the Contract (hereinafter referred to as the 'Dispute'), then, either Party may, commence arbitration in respect of such Dispute by issuance of a notice in terms of section 21 of the Arbitration & Conciliation Act, 1996 (hereinafter referred to as the 'Notice'). The Notice shall contain the particulars of all claims to be referred to arbitration in sufficient detail and shall also indicate the monetary amount of such claim. The arbitration shall be conducted by a sole arbitrator to be appointed by the Head of the BHEL Power Sector Southern Region issuing the Contract within 60 days of receipt of the complete Notice. The language of arbitration shall be English.

The Arbitrator shall pass a reasoned award.

Subject as aforesaid, the provisions of Arbitration and Conciliation Act 1996 (India) or statutory modifications or re-enactments thereof and the rules made thereunder as in force from time to time shall apply to the arbitration proceedings under this clause. The seat of arbitration shall be Hyderabad (the place from where the contract is Issued). The Contract shall be governed by and be construed as per provisions of the laws of India. Subject to this provision 2.13.1.1 regarding ARBITRATION, the principal civil court exercising ordinary civil jurisdiction over the area where the seat of arbitration is located shall have exclusive jurisdiction over any DISPUTE to the exclusion of any other court.

2.13.1.2 In case of Contract with Public Sector Enterprise (PSE) or a Government Department, the following shall be applicable:

In the event of any dispute or difference relating to the interpretation and application of the provisions of commercial contract(s) between Central Public Sector Enterprises (CPSEs)/ Port Trusts inter se and also between CPSEs and Government Departments/Organizations (excluding disputes concerning Railways, Income Tax, Customs & Excise Departments), such dispute or difference shall be taken up by either party for resolution through AMRCD (Administrative Mechanism for

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Resolution of CPSEs Disputes) as mentioned in DPE OM No. 4(1)/2013-DPE(GM)/FTS-1835 dated 22-05-2018 as amended from time to time.

2.13.1.3 The cost of arbitration shall initially be borne equally by the Parties subject to the final allocation thereof as per the award/order passed by the Arbitrator.

2.13.1.4 Notwithstanding the existence of any dispute or differences and/or reference for the arbitration, the Contractor shall proceed with and continue without hindrance the performance of its obligations under this Contract with due diligence and expedition in a professional manner unless the dispute inter-alia relates to cancellation, termination or short-closure of the Contract by BHEL.

2.13.2 CONCILIATION:


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), 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 (IEC) 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 and as provided in Procedure 2.3 : “Procedure for conduct of conciliation proceedings” (as available in [www.bhel.com](http://www.bhel.com)). The Procedure 2.3: “Procedure for conduct of conciliation proceedings” (as available in [www.bhel.com](http://www.bhel.com)) together with its Formats (as available in [www.bhel.com](http://www.bhel.com)) will be treated as if the same is part and parcel hereof and shall be as effectual as if set out herein in this GCC.

The Contractor hereby agrees that BHEL may make any amendments or modifications to the provisions stipulated in the Procedure 2.3 : “Procedure for conduct of conciliation proceedings” (as available in [www.bhel.com](http://www.bhel.com)) from time to time and confirms that it shall be bound by such amended or modified provisions of the Procedure 2.3 : “Procedure for conduct of conciliation proceedings” (as available in [www.bhel.com](http://www.bhel.com)) with effect from the date as intimated by BHEL to it.

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**2.14 NO INTEREST PAYABLE TO CONTRACTOR:**

Notwithstanding anything to the contrary contained in any other document comprising in the Contract, no interest shall be payable by BHEL to Contractor on any moneys or balances including but not limited to the Security Deposit, EMD, Retention Money, RA Bills or the Final Bill, or any amount withheld and/or appropriated by BHEL etc., which becomes or as the case may be, is adjudged to be due from BHEL to Contractor whether under the Contract or otherwise.

**2.15 PRICE VARIATION COMPENSATION**


**2.15.1** 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.

**2.15.1.1** PVC shall be applicable only if execution of works starts after contract validity period mentioned in the original work order or LOI, if any, subject to other conditions as described in this section. However, date of start of work to be reckoned as the date of mobilization intimated by BHEL to vendor. In case of any conflict, BHEL decision in this regard shall be final and binding on the contractor.

**2.15.1.2** If the work starts within the contract validity period of original work order or LOI, the contract validity period will get extended automatically till completion of works and no PVC shall be applicable.

**2.15.1.3** In case of demobilization of vendor, due to reasons not attributable to vendor, PVC shall be applicable for balance portion of works after remobilization provided there is a gap of minimum two months between demobilization and remobilization and work period of balance portion of works falls beyond contract validity period original work order or LOI. In case of any conflict, BHEL decision in this regard shall be final and binding on the contractor.


**2.15.2** 85% component of executed 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:

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Sl.No.	CATEGORY	BASE INDEX	PERCENTAGE COMPONENT ('K')				
			CIVIL PACKAGES (See Note A/B/C)			MECHA NICAL PACKA GES	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 ( <b>See Note E</b> )	5	3	5	5	5
iii)	WELDING ROD	Name of Commodity: MANUFACTURE OF BASIC METALS Commodity code: 1314000000 ( <b>See Note E</b> )				15	
iv)	CEMENT	Name of Commodity: ORDINARY PORTLAND CEMENT Commodity code: 1313050003 ( <b>See Note E</b> )		20	30		
v)	STEEL (Structural and Reinforcement Steel)	Name of Commodity: MILD STEEL: LONG PRODUCTS Commodity code: 1314040000 ( <b>See Note E</b> )		25			
vi)	ALL OTHER MATERIALS (Other than Cement & Steel)	Name of Commodity: ALL COMMODITIES Commodity code: 1000000000 ( <b>See Note E</b> )	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

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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://www.eaindustry.nic.in/download\\_data\\_0405.asp](http://www.eaindustry.nic.in/download_data_0405.asp)). Revisions in the index or commodity will be re adjusted accordingly.

2.15.3 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.

$$P = K \times R \times (XN - X_o) / X_o$$

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)

XN = Revised Index for Labour, High Speed Diesel Oil, Welding Rod, Cement, Steel and Materials for the billing month under consideration

Xo = Index for Labour, High Speed Diesel Oil, Welding Rod, Cement, Steel and Materials as on the Base date.


2.15.4 Base date shall be the date of calendar month of expiry date of contract validity as per Letter of Intent or work order.

2.15.5 PVC shall not be payable for the Supplementary / Additional Items, Extra works. However, PVC will be payable for items executed under quantity variation of BOQ items under originally awarded contract.

2.15.6 The contractor shall furnish necessary monthly bulletins in support of the requisite indices from the relevant websites along with his Bills.

2.15.7 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.

2.15.8 PVC shall be applicable only, during 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, the total Quantum of Price Variation Amount payable/recoverable shall be regulated as follows:

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- 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 2.15.4
- ii) In case of Force Majeure, the 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 date” as the case may be (during extended period when delay is not attributable to contractor). PVC shall be 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 on 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.

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, Supplementary / Additional items and Extra works except items due to quantity variation.

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### SECTION – III SPECIAL CONDITIONS OF CONTRACT

#### 3.1 **Quantum of Work:**

3.1.1 The scope of work given in the tender specification is only approximate and is liable to variation and alternation at the discretion of BHEL Resident Engineer. No compensation on this account shall be payable to the contractor unless specifically recommended by BHEL Resident Engineer as the variation forming major additions to the original scope of work. All repair / rectification work arising out of normal wear and tear, seizure of parts etc. have to be done by the contractor and the same will be covered by the scope of work of the contract.

3.1.2 The scope of work details out the major activities only. However, as per the general maintenance requirement and site condition, certain related activities may have to be carried out without any extra cost.

#### 3.2 **Commencement and completion of work :**


3.2.1 The starting time and completion time is the essence of the tender. As the time bound programme is firmly committed to customer, the starting time and completion time should be strictly adhered to. It will not be possible to grant extension in completion time except in extraordinary circumstance, which will be decided entirely at the discretion of BHEL Resident Engineer. Work should normally be carried out in two shifts and sometimes also in three shifts in consultation with BHEL Resident Engineer.

A detailed programme of the various activities covered under this contract with specific time period to fall in the overall frame work of the above dates should be prepared and got approved by BHEL Resident Engineer. The progress against this programme shall be reviewed with BHEL Resident Engineer at the end of each day and critical areas identified and suitable steps taken in time.

If during the review, at any stage of overhauling, BHEL Resident Engineer feels that the delays are not likely to be made up, BHEL reserves the right to take corrective steps as considered necessary by BHEL Resident Engineer to complete work in scheduled time and debit the cost incurred thereon to the contractor. This does not however absolve the contractor of his own efforts in consultation with BHEL Resident Engineer. Every endeavour will be made to see that work proceeds uninterruptedly.

3.2.2 The Contractor shall ensure completion of the job in all respects within the day from the date of commencement of work as given in contract.



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### 3.3 **Penalty for delay:**

In the event of failure to complete the work in given time, an amount equal to ½% [half percent] of the contract value per day subject to a maximum of 10% [ten percent] of the contract value will be levied as penalty, in case the balance work is allowed to be completed by the contractor beyond the scheduled time of completion, which is at the discretion of BHEL. In case of delays on contractor's part, at any stage during the scheduled period or after, BHEL shall have the option of ensuring completion of the job by any other means at its disposal and the charges on this account shall be levied on the contractor. These shall be adjusted against contractor's bills or Security Deposit. Contract Value for this purpose, shall be the final executed value exclusive Extra Works executed on Manday rate basis, Supplementary / Additional Items and PVC.

In case of LD recovery, the applicable GST shall also be recovered from vendor.

### 3.4 **Terms of Payment:**

A minimum time of 30 days will be required for processing the bills and release of payment after the bills are presented to BHEL.

#### 3.4.1 All payments are subjects to income tax TDS as per Central Government Laws. No request for advance payment will be entertained by BHEL.

### 3.5 **Inspection and Completion:**


The work being carried out by the contractor will be supervised and inspected by our Site Engineers under the overall supervision of BHEL Resident Engineer.

#### 3.6 The work will be deemed as complete when it is finally accepted by BHEL Resident Engineer and job completion certificate is issued. No extra payment will be made for any rework carried out by the contractor to rectify any defective work.

##### 3.6.1 The contractor shall not be entitled for labour idling charges under any circumstances.

##### 3.6.2 Tools, Tackles, Test Equipments & Consumables:

All tools and tackles and consumables required for day-to-day work like gas and gas cutting sets with accessories, AC/DC welding sets, TIG welding kits, welding cables, electrodes, all necessary power connection at his own cost. However, in case of emergency, BHEL may supply certain items if available, to contractor at actual cost plus handling charges, these will be deducted from contractors' running bills, testing equipment for conducting various tests, during the progress of overhauling / re- commissioning shall have to be provided by the contractor. Spare parts going into permanent installation shall only be provided by BHEL.

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3.7 **Accommodation for site staff and store space:**

3.7.1 Contractor has to arrange for the stores and office at site; space for the same shall be made available as per the availability at site. The contractor shall be responsible to provide all necessary facilities like residential accommodation with sanitary facilities, transport, electricity, water, medical bonus etc. as required under various labour laws and statutory rules and regulations framed thereunder to the personnel employed by him.

3.8 **Responsibilities of the contractor:**

3.8.1 Supervisory staff and labour:

The contractor shall employ, specially skilled labour, supervisor and engineers thoroughly conversant with particular type of work to ensure quality work. BHEL reserves the right to decide on the suitability of the workers and other staff employed by the contractor. BHEL reserves the right to insist on removal of any employees of the contractor at any time if they find him unsuitable and the contractor should forthwith remove him.

3.8.2 Planning and Execution:


Contractor shall submit a job planning in form of Bar Chart or PERT Chart. A List of manpower category wise, indicating individuals responsibility job activity wise, shall have to be submitted. Daily programme of job shall be displayed on board near work site on day in advance. A daily progress report along with Manpower utilities has to be submitted and backlog of the work, if any, shall be covered up in consultation with BHEL Resident Engineer.

3.8.3 Safety and Accident Coverage

Contractor shall ensure safety of all his employees at site of work. All employees shall be covered by insurance (workmen compensation) against accident, failing which proper action will be taken against the contractor. Contractor shall ensure proper safety of the equipments under overhauling by deputing personnel to guard the equipments round the clock. Open oil spaces, steam spaces shall be covered properly against ingress of foreign materials while working.

**RESPONSIBILITIES OF THE CONTRACTOR IN RESPECT OF SAFETY OF MAN, EQUIPMENT, MATERIAL AND ENVIRONMENT**

3.8.3.1 Before commencing the work, contractor shall submit a 'SAFETY PLAN' to the authorised BHEL official. The 'Safety Plan' shall indicate in detail the measures that would be taken by the contractor to ensure safety of men, equipment, material and environment during execution of the work. The plan shall take care to satisfy all requirements specified here under. The contractor shall submit safety plan along with his offer.

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During negotiations before placing of work order and during execution of the contract, BHEL shall have right to review and suggest modifications in the safety Plan. Contractor shall abide by BHEL decision in this respect.

- 3.8.3.2 The contractor shall take all necessary safety precautions and arrange for appropriate appliances as per direction of BHEL or it's authorised officials to prevent loss of human lives, injuries to personnel engaged, and damage to property and environment.
- 3.8.3.3 The contractor shall provide to it's work force and ensure the use of the following personal protective equipment as found necessary and as directed by the authorised BHEL officials:
- a. Safety Helmets conforming to IS-2925 : 1984
  - b. Safety Belts confirming to IS – 3521 : 1983
  - c. Safety shoes conforming to IS-1989 : 1978
  - d. Eye & Face Protection devices conforming to IS-8520 : 1987 and IS-8940 : 1978
  - e. Hand & body protection devices conforming to : IS – 2573: 1975  
IS – 6994: 1973  
IS – 8807: 1973  
IS – 8513: 1977
- 3.8.3.4 All tools tackles, lifting appliances, material handling equipment scaffolds, cradles, safety nets, ladders, equipment etc. used by the contractor shall be of safe design and construction. These shall be tested and certificate of fitness obtained before putting them to use and from time to time as instructed by authorised BHEL official who shall have the right to ban the use of any item.
- 3.8.3.5 All electrical equipment, connections and wiring for construction power, its distribution and use shall conform to the requirements of Indian Electricity Act & Rules. Only electricians licensed by the appropriate statutory authority shall be employed by the contractor to carry out all types of electrical works. All electrical appliance including portable electrical tools used by the contractor shall have safe plugging system to source of power and be appropriately earthed.
- 3.8.3.6 The contractor shall not use any hand – lamp energised by electric power with supply voltage of more than 24 volts DC. For work in confined spaces, lighting shall be arranged with power source not more than 24 volts.
- 3.8.3.7 The contractor shall adopt all fire safety measures as laid down in the “Code for Fire Safety at Construction Sites’ issued by the safety Department of the Construction Management (HQ) of BHEL and as per directions of the authorised BHEL official. A copy of the above referred

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“Code for Fire Safety at Construction Sites” shall be made available by BHEL to the contractor for reference, on demand by the contractor, during tendering stage itself.

- 3.8.3.8 Where it become necessary to provide and / or store petroleum products, explosives, chemicals, and liquid or gaseous fuel or any other substance that may cause fire or explosion, the contractor shall be responsible for carrying out such provisions and / or storage in accordance with the rules and regulations laid down in the relevant government acts, such as Petroleum Act, Explosives Act, Petroleum & Carbides of Calcium Manual of the Chief Controller of Explosives, Govt. of India, etc. Prior approval of the authorised BHEL official at the site shall also be taken by the contractor in all such matters.
- 3.8.3.9 The contractor shall arrange at his cost (wherever not specified) appropriate illumination at all work spots for safe working, when natural daylight may not be adequate for clear visibility.
- 3.8.3.10 The contractor shall be held responsible for any violation of statutory regulations (local, state or central) and BHEL instructions, that may endanger safety of men, equipment, material and environment in his scope of work or another contractor’s or agency’s Cost of damage if any, to life and property arising out of such violation of statutory regulations and BHEL instructions shall be borne by the contractor.
- 3.8.3.11 In case of a fatal or disabling injury, accident to any person at construction site due to lapses by the contractor, the victim and / or his / her dependents shall be compensated by the contractor as per statutory requirements. However, if considered necessary, BHEL shall have the right to impose appropriate financial penalty on the contractor and recover the same from payments due to the contractor for suitably compensating the victim and / or his/her dependents. Before imposing any such penalty, appropriate enquiry shall be held by BHEL giving opportunity to the contractor to present his case.
- 3.8.3.12 In case of any damage to property due to lapses by the contractor, BHEL shall have the right to recover cost of such damages from payments due to the contractor after holding an appropriate enquiry.
- 3.8.3.13 In case of any delay in the completion of a job due to mishaps attributable to lapses by the contractor, BHEL shall have right to recover cost of such delay from payments due to the contractor, after notifying the contractor suitably and giving him opportunity to present his case.
- 3.8.3.14 If the contractor fails to improve the standards of safety in its operation to the satisfaction of BHEL after being given a reasonable opportunity to do so, and/or if the contractor fails to take appropriate safety precautions or to provide necessary safety devices and equipment or to

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carry out instructions regarding safety issued by the authorised BHEL official, BHEL shall have the right to take corrective steps at the risk and cost of the contractor after giving a notice of not less than seven days indicating the steps that would be taken by BHEL.

- 3.8.3.15 The contractor shall submit report of the accidents, fires and property damage, dangerous occurrences, to the authorised BHEL official immediately after such occurrence, but in any case not later than twelve hours of the occurrence. Such reports shall be furnished in the manner prescribed by BHEL. In addition, periodic reports on safety shall also be submitted by the contractor to the authorised BHEL official from time to time as prescribed.
- 3.8.3.16 Before commencing the work, the contractor shall appoint / nominate a responsible officer to supervise implementation of all safety measures and liaison with his counterpart of BHEL.
- 3.8.3.17 If safety record of the contractor in execution of the awarded job is to the satisfaction of safety Department of BHEL, issue of an appropriate certificate to recognise the safety performance of the contractor may be considered by BHEL after completion of the jobs.

### 3.9 **Housekeeping and preservation:**

- 3.9.1 Work floor/area shall be cleaned every day and be kept absolutely clean. A regular cleaning gang may be engaged for the purpose. All dismantled components of the equipments under overhauling should be tag marked and stored properly according to type of components, namely all loose/small parts shall be kept in boxes bearing and matching components shall be kept on wooden planks. A list of such components shall be maintained to identify / locate be preserved properly against probable damages. No floor shall be damaged while working and necessary steps shall be taken by the contractor for repair in case of any damage.
- 3.9.2 Tools stores and Consumables:  
Tools & tackles, other than special tools and tackles supplied along with the equipments, shall be arranged and kept properly by the contractor. A register must be maintained and updated regularly. All consumables, other than those going permanently into the equipment, shall be stored by the contractor for daily use. Regular check shall be made at end of each day's work and exhausted consumables shall be replenished immediately. The store may be visited by BHEL Engineers without notice for verification.
- 3.9.3 The contractor shall make all necessary arrangement to receive spares from BHEL/Customer's stores, as and when required. The unused and scrap materials shall be returned to BHEL / Customer's stores on completion of the work. A detailed account shall be submitted by the


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contractor to this effect at the end of the work certifying no dues remained against them duly signed by Resident Engineer BHEL/Customer.

3.9.4 General:

- 3.9.4.1 Standard printed conditions if enclosed with the offer by the tenderers will not be accepted and only those in main body of the offer will be considered for acceptance.
- 3.9.4.2 The tenders are likely to be rejected if the tendered is not acceptable to the customer.
- 3.9.4.3 It will be the responsibility of the contractor to carry out trial run of all the equipments overhauled and confirm the satisfactory operation of equipment. The contractor's personnel shall also be present at time of final commissioning and attend to any defects that shall occur during this time.



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### **SPECIFIC TERMS AND CONDITIONS FOR SERVICES JOB**


#### **A. TENDERING**

1. Each and every page of tender documents should be signed by the tenderer providing his / their seal and date as taken of their full acceptance of the scope of work, terms and conditions etc., and should be returned along with the tender offers. In case of e-tendering document digitally signing on cover page is also acceptable.
2. The tenders should be quoted in English language and international numbers.
3. All entries in the tender shall be typed in ink legibly written without ambiguity.
4. Qualifications of Tenderers: for open tenders only, the tenderers who have previous experience in the similar nature of work as detailed in this tender specifications are expected to quote duly detailing their relevant experience / credentials along with the offer. Offers of other than the above are not likely to be considered. (List of similar jobs done) - Enclosure – 1
5. Financial Status : A current / valid certificate from a scheduled bank to provide the financial soundness / capability of the bidder to undertake the work, is required to be submitted along with offer.- Enclosure – 2
6. Organization Chart: The organization pattern and that will be deployed by the tenderer for this work duly indicating the number of supervisors, their qualifications and experience in the line, the number of skilled and unskilled persons / etc. is required to be indicated in the offer.- Enclosure – 3
7. THE FOLLOWING DOCUMENTS SHOULD ALSO BE ENCLOSED.
  - a. An attested copy of the power of attorney in case the tender is signed by an individual other than the sole proprietor.
  - b. In case of an individual his full name, address, nature of business and valid trade licence.
  - c. In case of partnership firm, the names of all partners and their addresses. (A copy of the partnership deed / instrument of partnership, duly attested by the Notary public shall be enclosed.)
  - d. In case of companies, date and place of incorporation / registration including date of commencement certificate (for public companies). (Certified copies of Memorandum and articles of association are also to be furnished).

#### **B. EARNEST MONEY DEPOSIT :**

For this, please refer article 1.4 of the General and special conditions of contract (GSCC) enclosed / supplied with the form issued for empanelment.



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C. **VALIDITY OF OFFER :**

The rates in the tender shall be kept open for acceptance for a minimum period of six months from the due date of opening of tenders. For details, please refer article 1.6 of GSCC enclosed.

D. **SECURITY DEPOSIT:**

As per clause no. 1.8 of GENERAL & SPECIAL CONDITIONS OF CONTRACT [FOR SERVICES JOB].

Return of Security Deposit:

If the contractor duly fulfils the contractual obligations as per contract in all respects to the entire satisfaction of BHEL, and presents an absolute “No Demand Certificate” in the prescribed form and return properties belonging to BHEL handed over, lent or hired by him for carrying out the said works the security deposit will be released to the contractor after deducting all costs or expenses or other contracts entered into with the contractor, only after the satisfactory completion of guarantee period. In no case Security Deposit can be released before settling all claims of BHEL on contractor under this contract.

No interest shall be payable by BHEL on Earnest Money / Security Deposit or any money due to the contractor from BHEL.

E. **ACCEPTANCE / REJECTION OF TENDERS:**

For this, please refer article 1.9 of GSCC enclosed. Also acceptance of customer is pre-requisite for consideration of bid, wherever applicable.


F. **ADDITIONAL SPECIFIC TERMS AND CONDITIONS :**

01. EXECUTION.

- i. If the site in question is subjected to industrial relations unrest / disturbances / problems, then the successful bidder should take adequate precautionary measures against dislocation of the job on account short problems. Any liability on this account, lies entirely with the contractor.
- ii. The contractor shall commence the work at site with full manpower, T&P etc. and complete as specified in the particulars of the tender. In case of any delay on the completion of work attributable to the contractor BHEL reserves full rights to cancel the contract fully or partly and to award the job in full or part to an alternate agency and recover the costs towards the same including BHEL's overheads from the contractor.
- iii. In the event of termination of contract or restriction of quantum of job by our client, before or during the execution of contract, BHEL reserves the right to terminate

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- the contract or restrict the quantum of work of sub-contractors accordingly without paying any compensation.
- iv. **Manpower:**  
The contractor shall engage proper skilled / qualified personnel and ensure the expected quality of work. If any of their personnel has been found to be unsuitable, by BHEL / or their client, the contractor shall withdraw them and provide suitable replacement immediately, failing which BHEL reserves full rights to get the job done by alternate suitable persons at risk and cost of the contractor. The delay on this account is attributable to the contractor.
- v. **TOOLS (TACKLES & PLANTS):** All tools, tackles and plants including precision measuring instruments, lifting devices shall have to be arranged by the contractor. (List of recommended T&P, for guidance, is provided in the tender enquiry). All lifting tackles and pulling devices to be used must bear valid / latest test certificates for their suitability. Also certificates of test / calibration with date of validity for various measuring / test instruments have to be submitted by the tenderer preferably along with the offer itself, or else the same is required to be produced at site before start of job failing which the LOI / W.O. is liable to be cancelled without any compensation.  
Successful bidder shall provide valid calibration certificates for IMTEs, fitness certificates for T&Ps and Construction Equipment (e.g. wire ropes, hand operated chain pulley blocks, pulling and lifting machines, electric welding generators, arc welding transformers etc.). Calibration of IMTEs is to be arranged from the accredited agencies. Calibration certificates should have the traceability as per national/international standards. At work site the IMTEs, T&Ps and Construction Equipment shall be checked/tested/inspected by BHEL engineers. The procedure for fitness testing and storage preservation and maintenance of Construction Equipment and T&Ps shall be as per BHEL standards available with BHEL site engineers.
- vi. **CONSUMABLES:** All consumables required (list for guidance is given in the tender enquiry) for the job shall be arranged by the contractor at his cost. However, any spares / components / consumables / materials going

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permanently into the clients equipment shall be provided to the contractor.

- vii. Successful bidder has to arrange proper storing facilities at site with traceabilities for IMTEs, T&Ps, construction equipments and consumables used during job execution.

- viii. All the T&Ps, consumables etc. must be mobilized at site at least three days prior to actual start of the job. They must be in accordance with those recommended in the Tender Enquiry and must be got verified to that effect. Formal clearance in writing must be obtained from BHEL's resident engineer before the contractor starts the job.

T&P found defective / improper / insufficient or not having valid test / calibration certificate should be made good immediately.

If the contractor fails to mobilize recommended T&P and manpower within the stipulated period, the order on the contractor is liable to be cancelled without paying any compensation on to him.

- ix. Storage: The contractor shall be responsible for proper storing of all dismantled components, spares, T&P etc., identify them properly and preserve them throughout the execution of the job. Any loss or damage of the components caused due to the lapses attributable to the contractor or his personnel shall be chargeable to the contractor.

- x. Transportation of Spares / materials / consumables :  
Any material / components / spares required for the work must be collected by the vendor and carried safely to the work site from the point of issue in our clients premises, through his own resources and cost.

Similarly, excess materials / spares etc. must be returned to the client's stores / any other place, within the client's premises, indicated by site-in-charge of BHEL.

Any debris, rubbish at the work spot must be cleared very day by the contractor using his own resources and cost, and disposed off at a placement for, as to be informed to him.

- xi. Space / Accommodation :  
The contractor will be allowed to have his site office, stores etc. by erecting temporary partitions / chambers / sheds etc. at the work spot according to the availability of space, which will have to be vacated and dismantled at the end of the jobs to restore the space to the client. The contractor

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should make his own arrangements for the security / watch and ward.

No residential accommodation / spare can be provided by BHEL to the contractor for any residential accommodation of his personnel. Contractor has to make arrangements/accommodation at site at his cost.

xii. The contractor shall ensure responsible execution of the job and proper behavior of their personnel and observance of all the rules and regulations of our clients.

xiii. Safety :

a. Standard safety norms/ regulations shall be conserved by the contractor during the execution of the job. The contractor should provide the necessary / stipulated safety devices to his personnel deputed to the site, such as grinding / welding goggles, masks, safety belts, helmets etc. No worker will be permitted to work without necessary safety appliances. That Delay of work due to these lapses are attributable to the contractor.

b. All norms related to Health, Safety & Environmental (HSE) norms conforming to ISO-14001 & OHSAS-18001 shall be followed by successful bidder. Bidders may contact PSSR-SAS office for getting detailed norms to be followed by bidder at Site

c. The contractor shall comprehensively insure all his site personnel against any hazard / accident and submit a copy of the insurance certificate covering all his site personnel to our resident engineer before commencement of work.

d. In case of any accident / hazard, the contractor shall arrange for medical attendance immediately shall compensate the personnel concerned in accordance with the workmen's compensations act in force and shall keep BHEL indemnified against any provisions of the act.

e. The successful bidder is to arrange a full set of First Aid kit for attending to manpower deployed by him at site as per requirement.


f. Successful bidder should follow all safety norms at work site. The Doc. No. HSEP:14 Rev.01 Dtd.20.01.2020 and subsequent

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revisions/amendments in this regard is available with BHEL engineer at site.

02. STATUTORY COMPLIANCE :

- i. The contractor shall comply with all state and central laws, statutory rules regulations etc. such as :  
The payment of wages act, minimum wages act, workmen's compensation act., industrial disputes act, employees provident funds act / scheme, Employees' state insurance scheme, contract labour (Regulation & abolition) act, 1970 etc. and all other acts, rules & regulations for employment of labour as may have been and as may be enacted by the Government during the tenure of the contract and having force or jurisdiction at site. The contractor shall give to the local government body, police, labour authorities and other relevant authorities and all such intimation and notices as may be required by law and appraise BHEL site- in-charge of such compliance.
- ii. The contractor shall pay all taxes, fees, licence charges, deposits, duties, fines, royalty commissions or other charges which may be leviable on account of any of his operations in executing the contract. In case, BHEL is forced to pay any of such taxes, BHEL shall have the right to recover the same from the contractor either from his bills or other issue as deemed fit.
- iii. The contractor shall obtain requisite licence from appropriate authority of the ministry of labour under the provision of the contract labour (Regulation and abolition) Act as soon as the work is avoided to him and indemnify BHEL against the application of any provisions of the act.
- iv. The contractor shall be responsible for provision of welfare and health of his employees / workmen, more particularly described in the contract labour (Regulation & abolition) act / rules, and safety precautions etc., as may be required for satisfactory execution of the contract.
- v. The contractor shall fulfil all his obligations in respect of canteens, rest rooms, accommodation including proper medical facilities etc. for the personnel employed by him, more particularly described in the contract labour (regulation & abolition) act / rules.
- vi. The contractor will be directly responsible for payment of wages to his workmen more specifically described in the

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contract labour (regulation and abolition ) act / rules. A pay roll sheet showing all the wage payments representative should be furnished to BHEL site office for record purpose. BHEL site in-charge may be intimated the date of disbursement of wages to the workmen engaged for the work; so that his representative can witness the same. The contractor shall indemnify BHEL against any statutory liability on account of dues to his workmen.

- vii. The bidders should be having appropriate licence from the local Boiler Inspectorate if the job involves welding of pressure parts. Also they should be having alloy steel / carbon steel high pressure welders (for TIG and submerged arc welding approved by the local Boiler Inspectorate for welding the pressure parts. The bidders should clearly indicate the same in the offer.

03. TERMS OF PAYMENT:


- i. No advance shall be payable to the contractor unless specifically spelt out in the tender enquiry.
- ii. A minimum time of 30 days will be required for the processing of bills (received with all required documents) presented and for their payment.
- iii. Payment terms are as follows
  - a. Up to 90% of the contract value shall be payable against submission of up to three progressive running bills. Each of the billed amount shall correspond to the quantum of job actually completed and to that effect the claim can be preferred based on percentage allotments (to be given in the work order) made. This, however, has to be certified by the resident manager / engineer of the site.

The Following documents are to be submitted with 1<sup>st</sup> RAB provided the value of such bill should not exceed 40% of CV.

1. Workmen compensation Insurance (should be taken for the full period of the contract. In case any defects attended during defect liability period Insurance should be taken during such period.)
2. Joint protocol / letter of commencement of work.
3. Labour License application copy (Labour license shall be applied online as per customer requirement)

However, if the value of 1<sup>st</sup> RA Bill exceeds 40% of CV, all the documents specified for 2<sup>nd</sup> & 3<sup>rd</sup> RA Bill (as mentioned below)



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shall be required in addition to Joint Protocol/Letter of commencement of work.

The Following documents are to be submitted with 2<sup>nd</sup> and 3<sup>rd</sup> RAB

1. Workmen compensation Insurance/ESI, PF, Third party liability policy (as per customer requirement) & Wage register/Bank statement of workmen payment verified by EIC for the completed months of execution period.
  2. Labour license (Labour license shall be applied online as per customer requirement)
  3. Duly filled pro-forma of Form 36B.
  4. HR Pro-forma to be submitted along with bill.
  5. Test reports (like NDT, Electrical etc., as applicable) (03 hard copies each)
- b. Final bill shall be payable after successful synchronization / commissioning Value of such final bill shall be total executed contract value less previous RAB(s) values.

The following documents are to submitted with final bill.

1. Workmen compensation Insurance/ ESI, PF, Third party liability policy (as per customer requirement) & Wage register/Bank statement of workmen payment verified by EIC for the balance period of execution, if applicable.
2. HR Pro-forma to be submitted along with bill.

*Note: BHEL at its discretion may further split up the percentage break up given in billing schedule and effect payment to suit site condition, cash flow requirement etc. according to progress of work.*


#### iv. PERFORMANCE SECURITY DEPOSIT (PSD)

Performance security deposit shall be 10% of executed contract value including extra works if any, and the vendor may submit the same in the form of (a) or (b) below.


- (a) CASH (DD/Online payment), 10% of the full contract Value towards Performance security deposit, before commencing the contract. (PSD for extra works if any, shall be deposited by the vendor separately)

(or)

- (b) Recover 10% from Each Running/Final/Extra works bill towards Performance security deposit.

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- v. Refund of Performance Security deposit:  
Performance security deposit shall be refunded on submission of duly signed (for certification of contractor portion only) REFUND OF PERFORMANCE SECURITY DEPOSIT (format attached –Format No. PS:SR:SCT:PSD:REFUND:001) along with covering letter with the following documents.
  - a. Certification to the effect that “No further claim” will be made against this contract.
  - b. Submission of a “NO DUES” certificate from our principal customer regarding returning of materials, T&P, tackles, fixtures etc. if any supplied to the successful bidder by the principal customer through BHEL during the execution of work to the effect that all the items have been received intact or as part or after fabrication.
  - c. PSD shall be refunded only after internal clearances from different departments like Commercial, HR, Sub-contracting & Services.
- vi. The bidder should be financially sound to maintain the site establishment with regard to timely payment of wages to his workmen, arrangements of other inputs viz. T&P consumables etc.
- vii. Non-receipt of progressive payment from BHEL due to any reasons should not be a constraint for the smooth execution of the job at site.
- viii. The bidder should make all out efforts to provide all inputs in consultation with BHEL engineers at site for completing the job in the specified time frame.
- ix. No overrun/escalation / idle charges are payable against any services job under any circumstances. (in exceptional cases such claims may be considered provided BHEL’s customer admits of such payment).
- x. Extra work rate being admitted off by BHEL for other similar contracts have been stated on the page no.46 of this annexure.  
For any additional work not envisaged in the scope of work or quantities exceeding the stated quantities, these rates shall be applicable.
- xi. All claims for extra works should be settled before claiming the final (10%) bill. The contractor should prefer the final claim with the certificate that ‘no other claim is due from BHEL against this contract’, without which final bill cannot be processed for payment.

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- xii. For reduction / deletion / withdrawal in the scope of work proportionate deduction in contract value will be made.
04. PERFORMANCE:
- i. As soon as job is awarded, the contractor has to submit a barchart to the resident engineer nominated showing the detailed schedule for all activities. This schedule will be reviewed by the resident engineer from time to time to enable the contractor to recast the barchart matching the planned completion of the job.
  - ii. It shall be the responsibility of the contractor's supervisor to distribute the work among his workmen deployed at site and get day to day activities executed as per BHEL's requirement. BHEL's engineers / supervisors will check the correctness of the job done and will also give the daily programme of work to the contractors supervisor. The contractor has to ensure completion of daily programme and if there is any spill over, the same has to be completed by putting in same additional resources. (Technical guidance wherever required will be provided by BHEL).
  - iii. The scope of work mentioned in this tender enquiry gives the broad outline of the actual work involved and it not is possible to mention all minute details of the work. For proper evaluation, the bidders may seek clarifications from this office. Or else, they may visit site and study the job content before submitting offers and be well informed and acquainted with the actual working and other prevalent conditions of the site, facilities available etc. No claim will be entertained later on the ground of lack of knowledge.
  - iv. The bidders have to furnish the bio-data and experience details of the site-in-charge, other key workmen, supervisors, safety officers, senior technicians etc. to be deployed. In case of award of contract, the key members of the contractor's team may be interviewed at site by BHEL's resident engineer to ascertain their suitability. Replacement of non-acceptable personnel will have to be arranged by the contractor immediately at his own cost.
  - v. Penalty for the delay in job completion will be 0.5% per day of delay, limiting to maximum 10% of the contract value, to be imposed on the contractor in case the delay in work completion is attributable to the lapses on the part of the contractor. In case of LD recovery, the applicable GST shall also be recovered from vendor.

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- vi. Performance Guarantee: Even though the work will be carried out under supervision of BHEL Engineers, the contractor shall guarantee against defects attributable to faulty workmanship or procedure adopted in the overhaul for items covered in the contract for a period of Six months from the date of re-commissioning of the set after the overhaul. The guarantee should cover all defects notified during this period and shall have to be attended free of cost immediately or at the time our clients are able to give shutdown of the set for the required period, when necessary. In case of failure of contractor to attend to the defect as and when required in time, BHEL shall arrange to attend the defects and the charges shall be levied to the contractor's account and shall be recoverable from the security deposit / progressive payments.

05. MISCELLANEOUS :

- i. The bidders shall submit a list of jobs being carried out by them or expected to be taken up by them during the period as called for in the participation of the tender. Enclosure – 6.
- ii. The contractor has to engage a cleaning gang at site to ensure continuous cleaning of the floor at work site to protect the parts and to give safe access at the work site.
- iii. Obtaining licenses / permits / road permits in connection with the fulfillment of the contractual obligations is entirely the contractors responsibility. However, wherever applicable BHEL can only offer support to the extent possible.
- iv. For all matters bearing on the execution of the job at site, the decisions of the resident engineer are final and binding upon the contractor.
- v. The contractor has to retain suitable minimum work force at site till successful completion of commissioning activities/handling over of unit to attend any small/miscellaneous problems, as leakage etc.
- vi. The contractor has to mobilize on a short notice to attend any troubles encountered in the equipment worked on, during warranty period of six months.
- vii. After dismantling and during execution of the job, successful bidder has to suitably tag the components and sub-assemblies for traceability and store properly before

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final assembly. This is as per BHEL standards available with BHEL site engineers.

- viii. Process control of Special Processes like Welding and Heat Treatment shall be carried by successful bidder as per BHEL standards available with BHEL site engineers.
- ix. Proper segregation, identification, tagging and up-keep of all dismantled items at work site during job execution have to be done by successful bidder.
- x. Successful bidder is to obtain necessary "No Dues" certificates before de- mobilisation from site.
- xi. Any NDT within the scope shall be as per Non-Destructive Examination manual (BHEL standards available with BHEL site engineer).
- xii. Unless otherwise mentioned specifically in this tender elsewhere, the storage & preservation of components, sub-assemblies, IMTEs, T&Ps, Construction Equipments etc, maintenance of stores, watch and ward of stores and BHEL site office is in the scope of the successful bidder.
- xiii. The successful bidder is to arrange extra illumination at work site to augment the existing site illumination if required to enable round-the-clock safe working.

*Note: Any of the documents mentioned above can be referred before submission of tender at the office of PSSR-SAS.*

06. EXTRA WORK RATES CURRENTLY BEING ADMITTED BY BHEL, PS-SR SAS

- i. MAN-HOUR RATE FOR ELIGIBLE EXTRA WORKS: Single composite average labour man-hour rate, including overtime if any, supervision, use of tools and tackles and other site expenses and incidentals, consumables for carrying out any major rework/repairs/rectification/modification/fabrication as certified by site as may arise during the course of erection, testing, commissioning or extra works arising out of transit, storage and erection damages, payment, if found due will be at Rs.108/- per man hour.
- ii. The following all inclusive rates will be applicable for modification work involving welding of high pressure butt joints only. Extra work involving other types of joints will be done on the above manpower basis.

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Unit rate per equivalent joint of size OD 63.5 mm x 6.3 mm thick

Average unit rate per equivalent joint, including NDT and stress relieving.

Carbon Steel Rs.200/- (Rs. Two hundred only)

Alloy Steel Rs.250/- (Rs. Two hundred fifty only)

List of enclosure to be furnished by the bidder along with tender documents.

- |    |  |               |
|----|--|---------------|
| a) | Experience certificate                                   | Enclosure 1*  |
| b) | Banker's certificate of financial soundness              | Enclosure 2*  |
| c) | Organisation Chart                                       | Enclosure 3.* |
| d) | List of concurrent jobs held by the contractor / bidder. | Enclosure 4.  |
- (\*Vendors registered with BHEL should submit documents in support of sl. no. d only.)

List of documents to be furnished by the contractor to the resident engineer before commencement of the jobs / during the execution.

- a) Barchart (if not furnished in the offer)
- b) List of T&P being mobilized. Test / Calibration certificate with date of validity for lifting / pulling devices and measuring / test instrument (if not furnished in the offer).
- c) Category wise list of manpower being mobilized.
- d) List of consumables being mobilized.
- e) Licence from the department of Labour under contract Labour (Regulation & Abolition) Act / Proof of Application for Licence.
- f) ESI coverage, if applicable.
- g) Insurance certificate covering the site personnel.
- h) Proof of remittance of provident fund to the concerned authorities, for all workmen employed for this job.
- i) Third party insurance coverage.