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VOLUME – I :: SECTION – IV

GENERAL CONDITIONS OF CONTRACT (G C C)

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Note:-

- 1) Wherever Bidder/contractor is mentioned in this document may understand as “Transmission line Bidder/contractor” and wherever Customer/ purchaser is mentioned “M/s TSTRANSCO” may be considered.
- 2) In Post award stage, In case of any dispute on any terms & Conditions of M/s TSTRANSCO & BHEL’s tender documents, the decision of BHEL shall be final and binding to the bidders.

**SECTION: IV
GENERAL CONDITIONS OF CONTRACT (GCC)**

1.0 DEFINITIONS:

1.1 DEFINITION OF TERMS:

In the Contract, the following expression shall, unless the Contract otherwise requires, have the meanings hereby respectively, assigned to them.

- I The 'Purchaser/Owner/Engineer' shall mean the Bharat Heavy Electricals Limited/Transmission Corporation of Telangana Limited (TSTRANSCO) and shall include its successors and permitted assigns.
- II The 'Contractor / Supplier' shall mean the Bidder whose bid has been accepted by the Purchaser and shall include the Bidder's heirs, legal representatives, successors and permitted assigns.
- III The 'Sub-vendor' shall mean the person, firm/company named in the Contract for any part of the work or any person, to whom any part of the Contract has been sublet with the consent in writing of the Engineer, and the heirs, legal representatives, permitted successors and assigns of such persons.
- IV. The 'Engineer' shall mean the officer placing the order for the work with the Contractor or such other officer as may be authorized and appointed in writing by the Purchaser to act as Engineer for the purpose of the Contract.
- V. The 'Supervising Engineer' shall mean such officer as may be duly appointed from time to time by the Purchaser or his Engineer to take general control and supervision of work.
- VI. The 'Inspector' shall mean any person or persons nominated by the Purchaser and/or the Engineer to inspect stores or works under the agreement and/or his duly authorized representative appointed to act as the Inspector.
- VII. The 'Contract' shall mean and include the bid and acceptance thereof, the general conditions, special conditions, specifications, schedules, drawings, Bid document,

covering letter, schedules of prices, the final general conditions and the Agreement executed on the stamp paper.

- VIII. The 'Specification' shall mean collectively all the terms, stipulations, and conditions of Contract, technical provisions and annexure thereto and list of corrections and amendments mutually agreed upon by both Purchaser and Contractor from time to time in writing.
- IX. The “Goods” means all of the equipment, machinery, and/ or other materials, which the Contractor / Supplier is required to supply to the Purchaser under the Contract.
- X. The “Services” means services to be provided as a part of contract and/or ancillary to the supply of the goods, such as transportation and insurance, and/or any other incidental services, such as erection, erection supervision, testing, commissioning, provision of technical assistance, training and other such obligations of the Contractor / Supplier covered under the Contract.
- XI. ‘Tests on completion’ shall mean such tests, as are prescribed by specification, to be made by the Contractor to the satisfaction of the Purchaser before the work is taken over by the Purchaser.
- XII. Contract Price: Contract Price means the price payable to Contractor/ Supplier under the Contract for the full and proper performance of its Contractual obligations.
- XIII. 'Commissioning' shall mean the satisfactory operation of the equipment/work as specified, after all necessary tests, checks and adjustments required at site, if any, have been satisfactorily completed and the equipment/works have been in continuous and uninterrupted commercial use for at least 30 days.
- XIV. ‘Commercial use’ shall mean the use of the work/equipment, which the Contract contemplates or of which it is commercially capable.
- XV. '*Approval*' shall mean the written *approval* of the Engineer and/or of the statutory authorities wherever such approval of such authorities are required under any codes or otherwise.
- XVI. 'Month' shall mean calendar month.

XVII. 'Writing' shall include any manuscript, typewritten or printed, statements, with under or over signature or seal as the case may be.

XVIII. 'Letter of Intent' shall mean the Purchaser's letter conveying his acceptance of the bid, subject to such reservations as may have been stated therein.

XIX. **ECV**: Shall mean Estimated Contract Value.

XX. **RTGS**: Shall mean Real Time Gross Settlement.

2.0 APPLICATION/APPLICABILITY:

These general conditions shall apply to the extent that provisions in other parts of the Contract do not supersede them.

3.0 STANDARDS: (Clause 15.0 GTC)

3.1 use of the work/equipment in real time as envisaged in the contract fulfilling the purpose for which it is included.

3.1.1 The goods and services supplied under this Contract shall conform to the standards mentioned in the technical specifications, and when no *applicable* standard is mentioned, to the Indian Standard.

3.1.2 Materials conforming to any other National or International standards are also acceptable provided such standards always are equivalent to or better than the corresponding standards specified in the respective specifications. However, in such an event the salient points of comparison between the standards adopted and the standards quoted herein shall be detailed in the appropriate schedule with an authentic English version of such standards. Two copies of such standards in English language shall be submitted along with the bid

3.1.3 The Indian Electricity Act, Indian Standards and Indian Electricity Rules can be obtained on payment from:

Kitab Mahal
State Emporium Building
Baba Kharak Singh Marg
New Delhi - 110 001
INDIA.

3.2 DEVIATIONS:

3.2.1 Constructional / manufacturing details specified in this specification are for guidance of the Bidder. Minor deviations from the specifications, if any, proposed by the Bidder will be considered on merit, provided they are Manufacturer's proven standards or necessary either to improve utility performance and efficiency or to secure overall economy, but provided further that these do not affect competitive comparison of the proposal. The Purchaser has the right to monetarily evaluate any or all such deviations in accordance with their judgment. The Purchaser also reserves the right to reject any deviation without any consideration.

3.2.2 All commercial and technical deviations shall be specifically and clearly mentioned in schedule for deviations with justifications. Deviations not specifically mentioned in these schedules and if mentioned elsewhere shall not be treated as deviations and the bid may also be rejected in view of this deviation. Even when no deviations are taken, still these schedules should be filled in as follows 'No Deviations taken'. If there are no deviations, Bidder should specifically indicate as "No deviations". **It may be noted that there shall not be any deviations in commercial terms & conditions. Bids with commercial deviations will be rejected.**

4.0 USE OF CONTRACT DOCUMENTS AND INFORMATION:

4.1 The Bidder shall not, without the Purchaser's prior written consent, disclose the Contract, or any provision thereof, any specification, plan, drawing, pattern, sample or information furnished by or on behalf of the Purchaser in connection therewith, to any person other than a person employed by the Bidder in the performance of the Contract. Disclosure to any such employed person shall be made in confidence and shall extend only so far as may be necessary for purposes of such performance.

The Bidder shall not, without the Purchaser's prior written consent, make use of any document or information enumerated in para 4.1 except for the purposes of performing the Contract.

4.2 Any Documents other than the Contract itself, enumerated in Para 4.1 shall remain the property of the Purchaser and shall be returned to the Purchaser on completion of the Contractor's / Supplier's performance under the Contract if so required/insisted by the Purchaser.

5.0 PATENT RIGHTS AND ROYALTIES:

5.1 Royalties and fees for patents covering materials, articles, apparatus, devices, equipment's or processes used in the works shall be deemed to have been included in the Contract price. The

Bidder / Contractor shall satisfy all demands that may be made at any time for such Royalties or fees and he alone shall be liable for any damages or claims for patent infringements and shall keep the Purchaser indemnified in that regard. The Contractor shall, at his own cost and expense, defend all suits or proceedings that may be instituted for alleged infringement of any patents involved in the works, and in case of an award of damages, the Contractor shall pay for such award. In the event of any suit or other proceedings instituted against the Purchaser, the same shall be defended at the cost and expenses of the Contractor who shall also satisfy/comply any decree, order or award made against the Purchaser. But it shall be understood that no such machine, plant, work, material or thing has been used by the Purchaser for any purpose or any manner other than that for which they have been furnished and installed by the Contractor and specified under these specifications, final payment to the Contractor by the Purchaser will not be made while any such suit or claim remains unsettled. In the event any apparatus or equipment, or any part thereof furnished by the Contractor is in such suit or proceedings held to constitute infringement, and its use is enjoined, the Contractor shall, at his option, and at his own expense, either procure for the Purchaser, the right to continue the use of said apparatus, equipment or part thereof, replace it with non-infringing apparatus or equipment or modify it, so that it becomes non-infringing apparatus or remove the equipment and refund the Purchase price plus transportation and installation cost thereof.

- 5.2 The Contractor shall indemnify and keep indemnified the Purchaser, his Successors or assignees for and against any and all claims, suits, damages, losses, actions, demands, costs, charges, royalties and expenses arising from or for infringement, real or claimed of patents, copy rights or other protected rights, if any, designs, plants, device, machine, diagrams, drawings in respect of the material supplied by the Contractor or any of the construction methods or processes followed by the Contractor for the construction of the constructed portion of the 'Project' or for the operation of the constructed portion of the project, are found to have infringed any such rights.
- 5.3 In the event of any claim being made or action being brought against the Purchaser in respect of any of the matters referred to in Clause-5.2 above, the Contractor shall promptly be notified and he shall, at his own expense, conduct all negotiations for the settlement of the same and any litigation that may arise therefrom.

6.0 PERFORMANCE SECURITY: (Refer ITB)

7.0 INSPECTIONS AND TESTS: (Refer GTC)

- 7.1 The Purchaser or his representative shall have the right to inspect and/or to test the goods to confirm their conformity to the Contract specifications. The specifications shall specify what inspections and tests the Purchaser requires and where they are to be conducted. The Purchaser shall notify the Supplier in writing of the identity of the representatives being deputed for these purposes.
- 7.2 The inspections and tests may be conducted at the premises of the Supplier or its Sub-vendor(s), at the point of delivery and/or at the good's final destination. Where conducted on the premises of the Supplier or its Sub-vendor(s) all reasonable facilities and assistance including access to drawing and production data shall be furnished to the inspectors at no charge to the Purchaser. The Bidder should clearly confirm that all inspection facilities exist at his works and shall be made available to the inspecting agency to check the reliability of the equipment.
- 7.3 Should any inspected or tested Goods fail to conform to the specifications, the Purchaser may reject them and the Supplier shall either replace the rejected goods or make all alterations necessary to meet specification/requirements free of cost to the Purchaser.
- 7.4 The Purchaser's right to inspect, test and where necessary, reject the goods after the goods' arrival in the Purchaser's site shall in no way be limited or waived by reason of the goods having previously been inspected, tested and passed by the Purchaser or his representative prior to the goods' shipment from the place / country of origin.
- 7.5 Nothing in clause 7 shall in any way release the Bidder from any warranty or other obligations under this Contract.
- 7.6 All consumables, instruments (T & P), testing instruments and other needs if any, for the above inspections and tests shall be arranged by the Contractor at no cost to the Purchaser.
- 7.7 The Contractor / Supplier shall give the Purchaser/Inspector twenty-one (21) days notice by letter / fax / email of any material being ready for testing.
- 7.8 In case of inspection of imported goods at the manufacturers premises all the costs towards local transport, accommodation etc. for two Inspector's Engineers/ including Inspection/Test Charges shall be borne by the Contractor. **The Contractor or his authorized quality person**

shall accompany the inspector's from TSTRANSCO without fail at the time of inspection of material/ equipment/ works at sub-vendor/ Contractor's work sites and shall sign on the inspection reports. The Contractor shall dispatch the material immediately after issuing of dispatch instructions with test reports *approval*. In case of any delay by more than one month, TSTRANSCO has every right to ask the Contractor to reconduct the inspection and tests at free of cost due to the Contractor's delay.

8.0 PACKING AND MARKING:

8.1 The Bidder shall provide such packing of the goods as is required to prevent their damage or deterioration during transit to their final destination as indicated in the Contract. The packing shall be sufficient to withstand without limitation, rough handling during transit and exposure to extreme temperatures, salt and precipitation during transit and open storage. Packing case size and weights shall take into considerations, where appropriate, the remoteness of the goods final destination and the absence of heavy material handling transporting facilities at all points in transit.

8.2 The packing, marking and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the Contract and, subject to clause 7 above, in any subsequent instructions given by the Purchaser.

8.3 In general each package shall be marked to indicate:

- a) Name of the Supplier
- b) Details of items in the package
- c) Name of the consignee
- d) Purchase order number
- e) Gross, net and tare weights of the items
- f) Destination.

8.4 Refer packing and marking of the Technical Specifications for further details.

9.0 DELIVERY/COMPLETION PERIOD AND DOCUMENTS:

9.1 Refer Schedule D of Vol- I

9.2 Documents to be submitted by the Supplier/ Contractor are specified as under.
Original and four copies of

- (i) Insurance certificate;
- (ii) Supplier's certificate certifying that the defects if any pointed out during inspection have been rectified (3 copies).
- (iii) The Suppliers invoice showing Purchase Order No. Goods description, quantity, unit price, total amount.
- (iv) Delivery note/ packing list/ lorry receipt.
- (v) Manufacturers/Suppliers guarantee certificate.
- (vi) Certificate of origin.
- (vii) GST receipts, wherever *applicable*, indicating payment mode.
- (viii) Any other document evidencing payment of statutory levies.
- (ix) The items and quantity so far supplied including the present package.
- (x) Manuals in six sets and one set of reproducible drawings.

The Purchaser shall receive the above documents soon after the dispatch of materials and if not received, the Contractor /Supplier will be responsible for any consequent expenses.

Note: The nomenclature used for the item description in the invoices/ packing lists and delivery notes etc., should be identical to that used in the Purchase order. The dispatch particulars including the name of transporter, L.R. No., and date should also be mentioned in the invoice (s).

10.0 INSURANCE: (Refer GCE)

10.1 This clause shall be read with the relevant Clause of GCE.

The Goods supplied under the Contract shall be fully insured against loss or damage incidental to manufacture or acquisition, transportation, storage, delivery and erection. In case of domestic goods the insurance shall be at least for an **amount equal to 110% of the cost of the goods** from "warehouse to warehouse (final destination)" and **storage up to commissioning of goods** thereafter on "All Risks" basis including War Risks and Strike Clauses.

The Contractor shall arrange secure and maintain insurance as may be necessary and for all such amounts to protect the materials of the Purchaser against all risks till the Goods and services is taken over as detailed herein. The form and the limit of such insurance as defined herein together with the underwriter thereof in each case shall be acceptable to the Purchaser. However irrespective of such acceptance the responsibility to maintain insurance at all times during the period of "Contract" shall be that of Contractor alone. The Contractor's failure in this

regard shall not relieve him of any of his Contractual responsibilities and obligations.

The Contractor shall take Insurance cover in their name on behalf of TSTRANSCO. The above insurance shall be made in freely convertible currency. The Contractor shall be responsible for preferring all claims and releasing the amounts from insurance. The scope of such insurance shall cover the entire value of the "Goods and Services".

The Contractor shall a) Initiate and pursue insurance claim till settlement and b) Promptly arrange for repair and/or replacement of any damaged items in full, irrespective of settlement of insurance claim by the under-writers.

All costs on account of insurance liabilities covered under the Contract will be to the "Contractor's" account. The Contractor shall provide the Purchaser with a copy of all insurance policies and documents taken over by him in pursuance of the 'Contract'. Such copies of documents shall be submitted to the Purchaser immediately after such insurance coverage. The Contractor shall also inform the Purchaser in writing at least sixty (60) days in advance, regarding the expiry, cancellation and / or change in any of such documents and ensure revalidation / renewal etc., as may be necessary, well in time. The Purchaser shall assist the Contractor, if required, in obtaining Licenses/port clearances, etc., in respect of foreign supplier required for the purpose of replacement of Goods lost in transit. The risks that are to be covered under the insurance shall be comprehensive and shall include, but not be limited to, the loss or damage in transit, storage, due to theft, pilferage, riot, civil commotion, weather conditions, accident of all kinds, fire, flood, war risk (during ocean transportation) bad or rough handling etc. The scope of such insurance shall cover the entire value of the 'Works'.

All costs on account of insurance liabilities covered under the '**Contract**' will be to the **Contractor's account** and will be included in 'Contract Price'. However, the Purchaser may from time to time, during the pendency of the 'Contract', ask the Contractor in writing to limit the insurance coverage risks and in such a case, the parties to the "Contract" will agree for a mutual settlement, in reduction in 'Contract Price' to the extent of reduced premium amounts. **The insurance beneficiary shall be TSTRANSCO.**

Contractors are advised to claim the bills for Supplies / works and insurance separately. Insurance claims will be paid only after getting confirmation from the Insurance companies. Wherever the bills are claimed combined, the insurance amount will be excluded initially and paid only after getting the confirmation from the insurance companies, so that the main bills are paid without delay.

11.0 TRANSPORTATION:

- 11.1 The Bidder is required, under the Contract, to deliver the Goods free at Destination. Transport of the goods to the destination, shall be arranged and paid for by the Contractor /Supplier, and the cost thereof shall be included in the Contract price. It shall be the total responsibility of the Bidder/Contractor to ascertain transportation limitations if any before he bids or supplies.
- 11.2 Where the Contractor is required to effect delivery under any other terms, for example, by post or to another address, the Contractor/Supplier shall be required to meet all transport and storage expenses until delivery.
- 11.3 In all of the above cases, transportation of the goods after the delivery to destination site/ stores shall be the responsibility of the Contractor unless specified otherwise.

12.0 INCIDENTAL SERVICES:

- 12.1 As specified below the Supplier may be required to provide in addition to erection, testing and commissioning the following services.
- (a) Performance or supervision of on-site erection/ assembly, testing and commissioning and/or start-up of the supplied goods;
 - (b) Furnishing of list of tools required for the assembly, testing & commissioning and/or maintenance of the supplied goods and also detailed operations and maintenance procedures for each appropriate unit of the supplied Materials/ equipment.
 - (c) Performance or supervision or maintenance and/or repair of the supplied Goods, for a period of time agreed by the parties, provided that this service shall not relieve the Supplier of any warranty obligations under this Contract;
 - (d) Conduct of training of the Purchaser's personnel, at the Supplier's plant and / or on-site in assembly, start-up, operation, maintenance and/or repair of the supplied Material/equipment.

- 12.2 Prices for the above shall be included in the total Bid price.

13.0 SPARE PARTS:

- 13.1 As specified below the Contractor may be required to provide any or all of the following materials and notifications pertaining to spare parts manufactured or distributed by the

Contractor:

- (a) Such spare parts as the Purchaser may elect to purchase from the Contractor / Supplier, provided that this selection shall not relieve the Supplier of any warranty obligations under the Contract, and
- (b) In the event of termination of production of the spare parts:
 - (i) Advance intimation to the Purchaser of the pending termination, in sufficient time to permit the Purchaser to procure the needed requirements, and
 - (ii) Following such termination, furnishing at no cost to the Purchaser, the blue prints, drawing and specifications of the spare parts, when requested.

14.0 WARRANTY/GUARANTEE

14.1 The Contractor shall guarantee, among other things the following:

- i. Quality and strength of materials /equipment used.
- ii. Adequate factors of safety for the material/equipment to withstand the mechanical and/or electrical stresses developed therein. These shall be stated in the Bid.
- iii. The delivery and erection periods given in the Bid.
- iv. The Contractor shall warrant further that the services to be carried out under this Contract shall conform with generally accepted professional standards and Engineering principles.
- v. The materials/equipment supplied and erected shall be guaranteed for satisfactory operation for a minimum period of 12 months from the date of commissioning of works/project. Till the time of completion of satisfactory operation period, Bank Guarantee for performance security and Bank Guarantee for final payment shall be valid to cover Guarantee/warranty period with a claim period of two months.

However, any Engineering error, omission, wrong provision, Goods failure etc., shall be attended to by the Contractor up to and on the date of actual Commissioning of the Goods / services without any revision in the price or extra cost.

14.2 If during the period of guarantee, any of the materials found defective and/or fail in test or

operation, such materials, shall be repaired or replaced by the Contractor free of cost to TSTRANSCO irrespective of the reimbursements from the insurance company within reasonable time which shall in no circumstance be more than 30 days or such other reasonable time as the TSTRANSCO may deem proper to afford failing which the cost of the failed material will be deducted from the subsequent bills/Bank Guarantee of the Contractor.

- 14.3 The Contractor shall bear all the expenses incurred in connection with the repair or replacement against such defective Goods inclusive of all freight both inland and overseas, insurance, customs levies, forwarding and clearing and demurrage and other incidental charges involved in delivering the said Goods to the Purchaser's specified destination. The decision whether correction of the defects should be by the repair or replacement shall be the sole discretion of the Purchaser.
- 14.4 Provision of this clause shall also apply to all materials and services repaired or replaced under the provision of this until the expiration of period of 12 (twelve) months from the date of such repair or replacement. In case of replacement/repair of any material/works after commissioning of the Sub-Station/Bay Extension/Tr. Line and before expiry of Guarantee/Warranty period, the Contractor shall furnish separate bank guarantee valid for 12 Months with 2 months claim period from the date of repair / replacement covering the value of such materials / works.
- 14.5 The cost of any special or general overhaul rendered necessary during the guarantee period due to defective Goods and Services furnished by the Contractor shall be borne by the Contractor.
- 14.6 The taking over of the Goods and services by the Purchaser shall in no way relieve the Contractor of his obligation under this clause.
- 14.7 The Contractor shall co-operate with the Purchaser in all ways in repair or replacement of the defective part, so as to minimize, to the extent possible, the interruption in operation of Goods.
- 14.8 Where the Sub-vendors provide longer periods of warranty than mentioned above, the Purchaser shall be entitled for such longer guarantees.
- 14.9 If the Contractor /Supplier, having been notified, fails to rectify the defect(s) (or) replace the defective goods within a reasonable period, the Purchaser may proceed to take such remedial action as may be necessary, at the Supplier's risk and expense and without prejudice to any other rights which the Purchaser may have against the Supplier under the Contract.

14.10 The Contractor's full and extreme liabilities under this clause shall be satisfied by the payments to the Purchaser of the extra cost, of such replacement procured including erection as provided for in the Contract, such extra cost being the ascertained difference between the price paid by the Purchaser for such replacements and the Contract price portion for such defective plants. Should the Purchaser not to wish replace the defective plant, the Contractor's extreme liability under this clause shall be limited to repayment of all sums paid by the Purchaser under the Contract for such defective plant.

14.11 Bid Proposals offering any other terms of warranty/guarantee, will be treated as non-responsive and rejected.

14.12 Guarantee for Works: Refer Clause No. 48 of G.C.E.

15.0 TERMS OF PAYMENT:

15.1 For Supply (equipment/material) :

i) 80% payment will be made within 30days for the material / equipment supplied and received in complete shape at destination stores/site in good condition (i.e. from Check measurement date in Form-13). The concerned AEE/ Field will receive the equipment/material in full shape at site and the concerned EE/Field will do the check measurement and issue the Form-13. The check measurement shall be done within five days from the date of receipt of materials. The due date for payment will be reckoned from the date of check measurement mentioned in Form-13.

ii) 10% payment will be made after successful erection of equipment/material.

iii) Balance 10% payment will be made after commissioning of equipment / material.

The Contractor will have to predefine the bank details while entering into Contract. The payments will be transferred to the Contractor's bank account by the Purchaser. The bank details of Bidder as above are final and shall not be revoked under any circumstances. The bank charges will be made to the account of Contractor. An amount of Rs. 50/- (Rupees Fifty only) will be recovered from the bill amount per each disbursement raised by the unit officer of TSTRANSCO.

No interest will be payable in case payment is delayed for whatever reason.

The 80% payment mentioned above is subject to submission of performance security by the Contractor /Supplier.

The Supplier should invariably submit test certificates and other documents as specified by the Purchaser before dispatch is made so that they can be checked and approved well in advance.

The performance guarantees to be executed in accordance with this specification will be furnished on a stamp as per of TS for a value of Rs.100/-. The Bank Guarantee will be extended suitably if required.

The payments are subject to providing performance security with validity of 12 months with 2 months claim period as on the date of check measurement of materials or works.

If the Supplier has received any over payments by mistake or if any amounts are due to TSTRANSCO due to any other reason, when it is not possible to recover such amounts under the Contract resulting out of this specification, the TSTRANSCO reserves the right to collect the same from any other amount and / or Bank Guarantees given by the company due to or with TSTRANSCO.

When the Supplier does not at any time, fulfill his obligations in replacing / rectifying etc. of the damaged / defective materials in part or whole promptly to the satisfaction of the TSTRANSCO Officers, TSTRANSCO reserves the right not to accept the bills against subsequent dispatches made by the Supplier and the Supplier only will be responsible for any demurrages, wharf ages or damage occurring to the consignments so dispatched.

Summary sheet of shall be submitted by the contractor with each bill duly providing the details of item wise quantity supplied until the present consignment, quantity delivered in this consignment and balance to be delivered and corresponding amounts of payment.

The payment will be made to the Supplier under this Contract in Indian Rupees only.

The following documents specified below shall be submitted to the paying officer.

- a) Original buyer invoice.
- b) Delivery Challan Acknowledged by the consignee (S) (6 copies)
- c) Insurance Certificate
- d) Manufacturers/Suppliers Warranty Certificate
- e) *Approval* of routine and Acceptance test reports.
- f) 6 copies of packing list

g) Copy of Acceptance Letter of Performance Security issued by Purchaser.

The quoted rates are variable for following items of Equipment & Materials

Sub station/Bay extensions:

Circuit Breakers, Instrument transformers, Lightning arresters, Isolators, Substation Structures, M.S Rod/Flat, G.I Flat, Moose ACSR Conductor, Power and Control cables, Power Transformers and Reactors are VARIABLE.

Transmission Line:

Tower parts including Bolts and Nuts, ACSR Moose conductor, GSS Earth wire are VARIABLE.

Except for the above items, for the remaining items in the tender the prices are firm.

No payments will be made for the supplies made prior to schedule delivery or for material which are not in full shape.

15.2 PAYMENT FOR ERECTION: (Clause No. 54 of GCE) :

- a) Ninety percent (90%) payments of the periodical progressive bills for the erection works will be made for the items of work done. For this purpose, the Contractor shall submit bills to the concerned Executive Engineer regularly to ensure payments in time. The Contractor shall give the full details of items of works done against each location in support of the bill along with the summary sheet of payment particulars with the details of item wise quantity of work completed until the present claim, quantity of work completed against this claim and balance work to be carried out and corresponding amounts of payments. Bills submitted without supporting details will not be taken in to cognizance. Payment is subject to submission of performance security by the Supplier/Contractor.
- b) Out of the balance 10% amounts, 5% payments will be released after completion of all the works & submission of Material Accounts subject to submission of the following certified by the field Engineer of TSTRANSCO.
 - a. As built drawings.
 - b. Instruction, O&M manuals and installation manuals as *applicable*.
 - c. Reconciliation of bill of material and order as executed.
 - d. Distribution copies of all drawings.
 - e. Tools and plants.
 - f. Equipment drawings, shop floor drawings and design calculation as *applicable*.

- c) The balance (final) 5% will be paid after completion of one-year performance guarantee period from the date of completion of all the works as per Contract and settlement of material account.
- d) **The date of commissioning/ energizing the equipment will not be considered for reckoning the performance guarantee period and the date of completion of all the works will only be considered as start date of Guarantee period.**

Price variation is *applicable* for the items cement and reinforcement steel which is as per Price Variation clause mentioned in ITB.

- e) In case, the balance materials are returned to TSTRANSCO well before the completion of the performance guarantee period, the 5% amount will be released against a bank guarantee for equal amount, which shall be valid for the performance guarantee period with a claim period of two months along with "Performance Security Bank Guarantee". All bank charges should be to the account of the Contractor".
- f) Contractor shall not be entitled to the said 5% retention amount under following,
- Non Settlement of material accounts
 - Pending any Statutory remarks if any even after defect liability period (Guarantee period).
 - Non completion of replacement/rectification of defective material during defect liability period(Guarantee period).

If any unsatisfied work remains after all the payments are made to the contractor, he shall refund to the Purchaser, all moneys that the latter may be compelled to pay in discharging such including all costs and the attorney's fees so incurred.

- g) The Contractor will have to predefine the bank details while entering into Contract. The payments will be transferred to the Contractor's bank account by the Purchaser. The Bank details of Bidder.as above are final and shall not be revoked under any circumstances. The bank charges will be made to the account of Contractor. An amount of Rs. 50/- (Rupees Fifty only) will be recovered from the bill amount per each disbursement raised by the unit officer of TSTRANSCO.

The payments are subject to providing performance security with validity of 12months with 2months claim period as on the date of check measurement of materials or works.

15.2.1 FINAL PAYMENT (Clause No. 55 of GCE):

Whenever, in the opinion of Purchaser /Owner, the work covered by the Contract has been completed, he shall prepare a final abstract showing the total amount of work done by Contractor and its value under and according to the terms of the Contract. From the total value thus arrived at, shall deducted all previous payments and all deductions made in accordance with the provisions of the Contract. The remainder shall be paid by Purchaser/Owner to Contractor within three months after the date of Purchaser's /Owner's final certificates.

Payment of the retention amount shall be due after the Defects Liability period (Guarantee period) of 12 calendar months, as per conditions stipulated in Clause 48 and clause 54.1 b and c of GCE.

- 15.3 Where the Contractor requests for the payment in advance before the “scheduled date of payment”, would be examined by the **Executive Director(Finance)/ TSTRANSCO** to decide whether such facility could be extended or not and if found acceptable the Contractor should agree to offer a rebate /discount @ 0.3 % per week or part there of for the advancement. Based on the decision, the Finance & Accounts wing will release priority payment to such Contractor after availing of the rebate/discount.

15.6 However, followings may please be noted by the bidders:-

- **All payments (as agreed between the parties) shall be made by BHEL to the party after receipt of payments from end customer not later than 30 (Thirty) days after receipt of payment from M/s TSTRANSCO.**
- **No interest shall be payable to contractor on account on any delayed payments:**

16.0 PRICES : (Refer Section - III : ITB)

16.1 Price Variation Clause: (Refer Section – III : ITB)

17.0 CHANGE OF ORDERS / SERVICES / WORKS:

17.1 The Purchaser may at any time, by a written order given to the Contractor / Supplier pursuant to clause 30, make changes within the general scope of the Contract in any one or more of the following:

- (a) Drawings, designs or specifications, where goods to be furnished under the Contract are to be specifically manufactured for the Purchaser.
- (b) The method of shipment or packing;
- (c) The place of delivery; or
- (d) The services to be provided by the Supplier.

However, if any suggested changes would, in the opinion of Contractor, prevent him from fulfilling any of his obligations or guarantee under the Contract, he shall notify Purchaser thereof in writing, and Purchaser shall decide forthwith whether or not the same shall be carried out, and if Purchaser confirms his instructions Bidder's obligations and guarantee shall be modified to such an extent as may be mutually agreed.

17.2 If any change caused under clause-17.1 results in (a) an increase or decrease in the cost of, or the time required for, the Supplier's performance of any part of the work under the Contract, whether changed or not changed by the order, an equitable adjustment shall be made in the Contract price or delivery schedule, or both, and the Contract shall accordingly be amended. In any case in which Contractor has received instructions from Purchaser as to carrying out the changes which either then or later will, in the opinion of Contractor, involve a claim for additional payment for extra work or for extra materials, Contractor shall, as soon as reasonably possible after receipt of such instructions, advise Purchaser that effect. However, Purchaser / owner shall not be liable for payment of any charge in respect of any such changes, unless instructions for making the same shall have been given in writing by Purchaser after receipt of such advice from Contractor.

17.3 In case Purchaser and Contractor are unable to arrive at a mutual agreement on the issue of whether or not certain changes ordered by Purchaser involve extra work and/or extra material entitling Contractor to claim for extra payment, Contractor nevertheless shall, if so required by Purchaser carryout the same and the matter in dispute shall be decided by arbitration as provided elsewhere in this specification. Items not covered by the schedule of Quantities but are similar in nature to the items already covered shall be paid for, the rates being worked out

on the basis of rates quoted for similar items. The written authorization for extra work shall be in the form of 'Modification permit'. All such modifications shall be executed under the provisions and conditions of the original Contract.

18.0 CONTRACT AMENDMENTS:

18.1 Subject to clause 17, no variation or modification of the terms of the Contract shall be made except by written amendment issued to the Purchase order.

19.0 ASSIGNMENT:

19.1 The Contractor shall not assign, in whole or in part, its obligations to perform under the Contract, except with the Purchaser's prior written consent.

20.0 SUB-CONTRACTS:

The Contractor may after informing the Purchaser and getting his written approval, assign or sublet the Contract or any part thereof other than for raw materials, for minor detail or any part of the work identified in the Contract.

The Contractor shall guarantee that any and all sub-contractors of Contractor for performance of any part of the work under the Contract will comply fully with the terms of the Contract applicable to such part of the work. Any assignment as above without prior written approval of Purchaser shall be void.

Suppliers of the Goods not identified in the Contract or any change in the identified supplier shall be subject to approval by the Purchaser. The experience list of the Supplier under consideration by the Contractor for this Contract shall be furnished to the Purchaser for approval prior to procurement of all such Goods.

Such assignments/sub-letting shall not relieve the Contractor from any obligation, duty or responsibility under the Contract and he shall be responsible for the acts, defaults and neglects of any sub-contractor, his agents, servants or workmen as fully as if they were acts, defaults or neglects by Contractor, or his agents, servants or workmen.

The Contractor shall guarantee that any and all sub-contractors of Contractor for performance of any part of the work under the Contract will comply fully with the terms of the Contract applicable to such part of the work. Any assignment as above without prior

written approval of Purchaser shall be void.

- 20.1.1 The Supplier shall guarantee that any and all the Sub-vendors of Supplier for performance of any part of the work under the Contract at will comply fully with the terms of the Contract *applicable* to such part of the work.
- 20.1.2 Should any Sub-vendor fail to carry out any portion of the 'Work' satisfactorily, this work shall be cancelled by the Supplier on written notice to the effect from the Purchaser. The 'Work' however shall be continued by the Supplier himself or through another approved Sub-vendor and completed as per agreed schedule.
- 20.1.3 The quality plans called for from the Sub-vendor shall set out during the various stages of manufacturer and installation, the quality practices and procedures followed by the Sub-Supplier's quality control organization, the relevant reference documents/standards used, acceptance level, inspection of documentation raised etc. Such quality plans of the successful Sub-Supplier's shall be discussed and finalized in consultation with the Purchaser and shall perform a part of the Purchase order/Contract between the Sub-Supplier and the Supplier. Within 3 weeks of the release of the same Purchase order/ Contracts for such bought out items/components, a copy of the same without price details but together with detailed Purchase specifications, quality plans and delivery conditions shall be furnished to the Purchaser by the Supplier.

21.0 DELAYS IN THE SUPPLIES AND SERVICES:

- 21.1 Delivery of the goods/ equipment and performance of services shall be made by the Contractor in accordance with the completion period specified.
- 21.2 An unexcused delay by the Supplier/Contractor in the performance of its delivery obligations or performance of incidental services as per Clause-12 above would render the Supplier/Contractor liable to any or all of the following sanctions: forfeiture of its performance security, imposition of Penalty, and/or termination of the Contract for default.
- 21.3 If at any time during performance of the Contract, the Supplier or its Sub-vendor(s) should encounter conditions impeding timely delivery of the goods and performance of services, the Supplier/Contractor shall promptly notify the Purchaser/Owner in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the Supplier's/Contractor's notice, the Purchaser/ Owner shall evaluate the situation and may at its

discretion extend the Contractor's time for performance, in which case the extension shall be ratified by both the parties by amendment of the Contract.

- 21.4 Even if the work gets prolonged due to some reasons or other, beyond the specified completion period, the Contractor should remain at site and complete Contracted work subject to the terms and conditions provided in the Contract.

22.0 PENALTY FOR LATE SUPPLIES / COMPLETION:

The completion period mentioned in Schedule-D is the essence of contract. Penalty will be levied as follows for the delay in executing the works or supply of material.

a) Penalties after overall completion period:

“In case of delay in erection of the works or supply of material / equipment beyond overall completion period, whatever may be the reasons; the TSTRANSCO shall levy and collect the penalty @ **0.5%** per week of the delay on the delayed value of the works / Materials / Equipment.

However, the sum of the penalties stated above are subject to a **maximum of 10% of the total value** of the contract. Once the maximum is reached, TSTRANSCO may consider termination of the contract.

In case the Contractor fails to execute the supplies/works as per the program or in the opinion of Purchaser, the supplies/works are progressing at a slow pace, TSTRANSCO reserves its right to get the balance or part of supplies/works executed through other agencies at the risk and cost of the successful bidder, this is in addition to the right of the TSTRANSCO to recover any damage from the contractor and also blacklisting.

SPECIFIC ACCEPTANCE OF THIS CLAUSE SHOULD BE BOLD IN THE BID. IF SUCH ACCEPTANCE IS NOT INDICATED, THE BID IS LIABLE TO BE OVERLOOKED/Rejected.

- (ii) The date of receipt of materials/equipment at the destination stores in good condition (The date of Check measurement in Form-13) will be taken as the date of delivery.

For penalty, the number of days of delay would be rounded off to the nearest week

Volume-I, Section-IV -GCC

TENDER SPEC. NO.: TBSM/NAMAPUR /STE-01/TENDER /21-22 Date: - 30.04.2021

22

and interest calculated accordingly. Materials / equipment which are not of acceptable quality or are not conforming to specification would be deemed to be not delivered. The penalty specified shall be levied and would be adjusted against same bill / subsequent pending bills.

‘Penalty shall be calculated while admitting the final bill, duly taking into account, extension of completion period if any, and the penalty shall be recovered along with applicable GST.

However, to ensure availability of sufficient amount for deducting penalty a recovery of 0.5% of the value of supply/work, delayed, per week (or part thereof, as the case may be) shall be adjusted against the penalty (+GST) levied while admitting the final bill’

- (iii) Deficiency in quality of works in deviation from the specification: Instance wise minimum penalty leviable and debarred from participating in future tenders for a minimum period of one year, indicated as below.

S. No.	Deficiency in quality of works in deviation from the specification/ Agreement such as	Instance wise Minimum penalty leviable in Rupees during the same work by the Contractor			Duration of disqualification of the Contractor in participation the tenders of TSTRANSCO in the event of further instance.
		1 st Instance	2 nd Instance	3 rd Instance	
1	2	3			4
Cat eg ory -I	Not using (i) prescribed shoring, shuttering and dewatering equipment, (ii) measurement boxes, (iii) Form boxes for different types of foundations and steel measuring boxes, (iv) not providing adequate number of chairs to the steel reinforcements, (v) not carrying out back filling and compaction of the foundation pits in layers and leveling the tower footings properly, (vi) not ensuring that the excavated earth is dumped at least 2 meters away from	5000	10000	15000	Debarred from participating in future tenders for a minimum period of one year.

	the pit etc., and (vii) not providing copings to the tower legs/stubs (viii) not providing water tanker, Earth rammers/earth vibrators.			
Cat eg ory -II	Use of reinforcement steel without ISI marking, not using vibrators for effective consolidation of the concrete during foundation works, not using proper templates for firmly keeping the stubs in position when templates are supplied by the Contractor and improper fixing of stubs, non ensuring of tower verticality, use of rusted stubs and tower parts if supply is by the Contractor, non painting of butt joints and rusted stubs with zinc rich paint immediately after erection of the towers and stringing, non fixing of earth flat to the stub, non deployment of technical personnel for supervision of works by the Contractor.	7500	15000	22500
Cat eg ory -III	Use of improper grade/quality of raw material like HBG metal, water and sand for concreting using clogged and/or lump/ clotted cement for concreting not ensuring proper curing for foundation concrete, not ensuring that all the members of the tower are placed in position and firmly fixed with bolts and nuts immediately after erection of tower.	10000	20000	30000

Debarred from participating in future tenders for a minimum period of one year.

Debarred from participating in future tenders for a minimum period of one year.

The penalty in the first instance shall be finalised by Executive Engineer concerned based on the report of Assistant Divisional Engineer concerned after giving an opportunity to the Contractor to submit explanation.

Penalty for second instance shall be finalised by the Superintending Engineer concerned based on the report of Executive Engineer concerned after giving an opportunity to the Contractor to submit explanation.

Penalty for third instance shall be finalised by the Chief Engineer concerned based on the report of Superintending Engineer concerned after giving an opportunity to the Contractor to submit explanation.

For the fourth instance of deficiency, the Chief Engineer concerned shall report to the Director, concerned proposing for debarring the Contractor from participating in future tenders for a minimum period of one year. Technical Committee shall examine the facts and figures of the case and take a final view in the case.

23.0 TERMINATION FOR DEFAULT:

The Purchaser may, without prejudice to any other remedy for breach of Contract, by written notice of default sent to the Supplier/ Contractor, terminate the Contract in whole or in part:

- a) If the Supplier/Contractor fails to deliver any or all of the goods and to complete any or all works commensurate with progress of completion within the time period(s) specified in the Contract or any extension thereof granted by the Purchaser.
- b) If the Supplier/Contractor fails to perform any other obligation(s) under the Contract.
- c) If the Supplier/Contractor, in the judgment of the Purchaser has engaged in corrupt or fraudulent practices in competing for or in executing the Contract.

Termination of Contract:

If it is found that progress of works are not commensurate with the program of completion or if the Contractor does not fulfill his obligations as per the terms of the specification TSTRANSCO will be entitled to terminate the Contract in part or full by giving 15 days notice and get the balance works completed through other agencies at the Contractor's cost and risk.

Warning letters have to be issued by Superintending Engineer concerned and /or Chief Engineer/LIS if the progress is not satisfactory. If the progress continues to be poor even after the second warning letter, show cause notice/final notice will be issued by the Chief Engineer/ LIS. If no satisfactory reply is received or the progress of the works are not improved within 15 days of issue of the final notice/show cause notice, the Chief Engineer/ LIS shall terminate the agreement, which will be followed by stoppage of all payments to the Contractor, encashment of the BGs, and after termination of Contract the balance works/supplies shall be completed through alternate agencies at Contractor's risk and cost. **The Contractor so**

penalized shall be blacklisted for 3 years from the date of termination of Contract.

In the event of termination of Contract due to delay attributable to the Contractor, TSTRANSCO is entitled to get back equipment/material from the Contractor for the payment already made but the material is not put to use, and then get the works done by other agency/agencies for completion of Contract by using the said recovered material. The Contractor shall have no objection in this regard.

However, the Supplier /Contractor shall continue performance of the Contract to the extent not terminated.

24.0 FORCE MAJEURE:

24.1 Notwithstanding the provisions of clauses 21, 22 and 23, the Contractor/Supplier shall not be liable for forfeiture of his Performance Security, Penalty or termination for default, if and to the extent that, its delay in performance or other failure to perform its obligations under the Contract is the result of an event of Force Majeure.

24.2 For purposes of this clause, "Force Majeure" means an event beyond the scope of Contractor /Supplier and not involving the Supplier's/Contractor's fault or negligence and not foreseeable. Such events may include, but are not restricted to, wars or revolutions, fires, earthquakes, floods, epidemics, quarantine restrictions, freight embargoes, riots, civil commotions etc.

24.3 If a Force Majeure situation arises, the Supplier shall promptly notify the Purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the Purchaser in writing, the Supplier shall continue to perform his obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event. **No price variance will be allowed during the period of force majeure.**

24.4 Bids of Bidders offering any other terms other than what is stated above will be treated as non-responsive.

25.0 TERMINATION FOR INSOLVENCY:

25.1 The Purchaser may at any time, terminate the Contract by giving written notice to the

Supplier/Contractor, without compensation to the Supplier/Contractor, if the Supplier/Contractor become bankrupt or otherwise insolvent. In this event, termination will be without compensation to the Supplier, provided that such termination will not prejudice or affect any right of action or remedy, which has accrued or will accrue thereafter to the Purchaser.

26.0 SUSPENSION, TERMINATION BY PURCHASER FOR CONVENIENCE:

- 26.1 The Purchaser reserves the right to suspend and re-instate execution of the whole or any part of the 'Works' without invalidating the provisions of the 'Contract'. Orders for suspension or reinstatement of the 'Works' will be issued by the Purchaser or Engineer to the Contractor in writing. The time for completion of the works will be extended suitably to account for duration of the suspension.
- 26.2 The Purchaser may, by a written notice sent to the Supplier/Contractor, terminate the Contract, in whole or in part, at any time, for its convenience. The notice of termination shall specify that the termination is for the Purchaser's convenience, and the extent to which performance of work under the Contract is terminated, and the date upon which such termination becomes effective.
- 26.3 The goods / equipment that are complete and ready for dispatch within 30 days after the Supplier's receipt of notice of termination shall be purchased by the Purchaser at the Contract terms and prices.
- 26.4 The Purchaser shall have the right to seek the discontinuance of the work, in whole or in part, for such time as may be necessary, should the condition of the weather or flood or other contingencies make it desirable to do so, in order that the works shall be well and properly executed. Extension of time shall be granted to Contractor for discontinuance of work so ordered and Contractor shall not claim for compensation or damage in relation thereto.
- 26.5 The Contractor /Supplier will be further required to transfer the title and provide the Purchaser with the drawings, information and Contract rights as the Supplier as specifically performed, produced or acquired for the performance of the 'Contract'.

27.0 RESOLUTION OF DISPUTES:

All and any disputes or differences arising out of or touching the order based on this specification shall be decided by a panel of arbitrators as detailed below:

Value of Claim	Panel of Arbitrators
i) Disputes involving amounts up to Rs.10,000/-	Superintending Engineer of the TSTRANSCO other than the and below. circle to which the disputes relate.
ii) Disputes involving amounts ranging from Rs.10,001 to Rs.50,000/-	Any Chief Engineer of the TSTRANSCO.

There shall not be any reference of disputes, the value of which is above Rs.50,000/- to arbitration. The parties shall approach the competent Civil Courts situated in Hyderabad/ Secunderabad twin cities only, if any such disputes shall arise involving amounts more than Rs.50,000/-.

A reference for adjudication under this clause shall be made by either party to the Contract, within one year from the date of intimating the Contractor of preparation of final bill or his having accepted the payment.

28.0 GOVERNING LANGUAGE:

28.1 The Contract shall be written in the **language of English**, as specified by the Purchaser in the Instructions to Bidders. All correspondence and other Documents pertaining to the Contract which are exchanged by the parties shall be written in that same language.

29.0 APPLICABLE LAW:

The Contract shall be interpreted in accordance with the laws in India.

30.0 NOTICES:

30.1 Any notice given by one party to the other pursuant to this Contract shall be sent in writing or fax and confirmed in writing to the address specified for that purpose. **PURCHASER:** Chief Engineer / LIS, TSTRANSCO, 2nd Floor, B-Block, Room No.203, Vidyut Soudha, Hyderabad-500 082 (TS) INDIA.

Supplier: To be filled.

30.2 A notice shall be effective when delivered or on the notice's effective date, whichever is later.

31.0 TAXES AND DUTIES:

1. All taxes (except GST) , duties , charges , royalties, cess and any other levies by Central/ State/local authorities for the execution of the contract shall be borne by the contractor and shall not be payable extra . Any increase of the same at any stage during execution of the contract shall be borne by the contractor .Quoted price of the same shall be inclusive of all such requirements.
2. Contractors have to make their own arrangement at their cost for completing the formalities, if required with relevant taxation authorities, for bringing their material, plant and machinery at site for the execution of the contract. Road permits / way bill, if required shall be arranged by the contractor.
3. The Contractor is responsible to furnish documentary evidence towards GST Registration of the State wherein the site is located or any other documents as per GST Act which may be required from time to time. BHEL will not be held to be responsible for any non-compliance of the Contractor in respect of GST laws as framed from time to time.
4. Goods and Service Tax (GST) will be reimbursed to the Contractor subject to the following conditions :-
 - (i) Submission of valid GST Compliant Tax Invoice as per the GST Invoice Rules.
 - (ii) The Invoice raised by the Contractor should indicate the BHEL GST Registration Number.)
5. The GST amount shall get reflected within prescribed time limit in the GSTN for BHEL to avail the input credit. If the GST Credit is reversed/ denied/ delayed to BHEL due to non-receipt/delayed receipt of Services and/or tax invoice or due to expiry of timeline prescribed in GST law or due to any other factor for availing such Input Tax Credit (ITC) or for any other reason arising out of the act directly attributable to the Contractor, GST amount shall be recoverable from Contractor from any dues payable to the Contractor along with any interest levied/ leviable on BHEL.
6. Statutory variation, if any, on account of GST will be payable by BHEL (if Payable by TSTRANSCO) at actuals on submission of documentary evidence within the contractual delivery schedule Only..
7. TDS under Income Tax Act/ GST Act shall be deducted as per applicable rates unless Exemption certificate, if applicable, from the appropriate Authority is furnished to BHEL along with the Invoice.
8. New Taxes & duties (Introduced after tender opening date):

If any new tax or duty is levied by the Central/State Government/ Municipality/Local Authority and becomes directly applicable on items specified in the Bill of Quantities, full reimbursement shall be made (if Payable by TSTRANSCO) subject to submission of documentation as per statute within the contractual delivery schedule Only..

32.0 **SECRECY:**

Bidder shall not disclose any information furnished by owner nor any drawings, reports and other information prepared by Contractor for the project, without the prior written *approval* of Purchaser except in so far as disclosure is necessary for the performance of Contractor's work and services under this Contract.

33.0 **INDEMNIFY THE PURCHASER:**

33.1 Bidder shall indemnify owner/Purchaser in respect of all actions, suits, claims and demands brought or made against Purchaser by the workmen of Contractor or any other person or persons whomsoever in connection with the works or in respect of any matter or thing done or omitted to be done by Contractor in the execution of or in connection with the works notwithstanding that all reasonable and proper precautions may have been taken by Contractor and against any loss or damage to Purchaser in consequence of any action or suit being brought against owner for anything done or committed to be done in connection with the execution of the work. The indemnity given by Contractor as aforesaid shall extend to making good all claims and demands arising out of losses/penalty to property of every description and kind, the infringement of any legal right as well as injury or accident to any person resulting in death or otherwise.

33.2 The Purchaser shall have full power and right at his discretion to defend or compromise any suit or pay claim or demand brought or made against him as aforesaid whether pending or the rated, as he may consider necessary or desirable and shall be entitled to recover from Contractor all sums of money including the amount of penalty and compensation and all legal costs charges and expenses in connection with any compromise or award which shall not be called into question by Contractor and shall be final and binding upon him.

33.3 Bidder shall reinstate all penalty of every sort mentioned in this clause so as to deliver the whole of the Contract works completed and perfect in every respect and so as to make good or otherwise satisfy all claims for damage to the property of third parties.

34.0 **PATENT INDEMNIFICATION:**

34.1 Bidder shall indemnify and keep indemnified Purchaser, his successors or assignees for and

against any and all claims, suits, penalty, losses, actions, demands, costs charges, royalties and expenses arising from or for infringement, real or claimed, of patent-rights, copyrights or other protected rights, if any design plans, device, machine, diagrams, drawings or in respect of the material supplied by Contractor or any of the construction methods of processes followed by Contractor for the construction of the constructed portion of the project, or for the operation of the constructed portion of the project, are found to have infringed any such rights.

34.2 In the event of any claim being made or action being brought against Purchaser in respect of any of the matters referred to in clause 34.1 above, Contractor shall promptly be notified and he shall, at his own expenses, conduct all negotiations for the settlement of the same and any litigation that may arise there from.

34.3 In the event any designs, drawings, plans or diagrams or any of the construction methods of processes furnished/followed by Contractor for the construction of the portion of project or for the operation of the project, constitute infringement of patent or any of the protected rights and use thereof is restrained, Contractor shall procure for Purchaser, at no cost to the latter, the right to continue using the same or to the extent it is possible, replace the same with non-infringing work approved by Purchaser or modify them so that they become non-infringing, but such modifications shall otherwise to be the entire satisfaction of Purchaser. The provisions of this paragraph shall survive the completion, expiration or termination of the Agreement.

35.0 IMPORT LICENSE:

Obtaining Import License shall be of Contractor responsibility for imported goods offered against the Bid. However, the purchase on specific request by the Contractor will issue Project Authority Certificate.

36.0 URGENT WORKS

If any urgent work (in respect where of the decision of the Engineer-in-charge shall be final and binding) becomes necessary and the Contractor is unable or unwilling at once to carry it out, the Engineer-in-Charge may carry it out as he may consider necessary. If the urgent work shall be such as the Contractor is liable under the Contract to carry out at his expenses all expenses incurred on it by TSTRANSCO shall be recoverable from the Contractor and be adjusted or set off against any sum payable to him.