

Work: Handling of materials at BHEL/ Client Stores/ Storage Yard, Transportation to site of work, Erection, Testing and Commissioning, supply and application of Final Painting of Electrical, Control and Instrumentation and Illumination packages of Frame #5 Gas Turbine + 1x100TPH Heat Recovery Steam Generators (HRSG) + 1x150TPH Utility Boiler along with their Auxiliaries for Chennai Petroleum Corporation Limited, Manali, Chennai, Tamil Nadu

- A) The following clause in Technical Conditions of Contract (TCC) Volume IA Part- I Chapter- VIII- TAXES AND OTHER DUTIES is revised as mentioned below:

Reference Clause No.	Existing Provision	Revised as
Technical Conditions of Contract (TCC) Volume IA Part- I Chapter- VIII- TAXES AND OTHER DUTIES Clause No. 1.8.4 New Levies / Taxes	1.8.4.1 In case Government imposes any new levy / tax after award of the work during the tenure of the contract, BHEL shall reimburse the same at actual on submission of documentary proof of payment subject to the satisfaction of BHEL that such new levy / tax is applicable to this contract.	1.8.4.1 In case Government imposes any new levy / tax after technical bid opening during the tenure of the contract, BHEL shall reimburse the same at actual on submission of documentary proof of payment subject to the satisfaction of BHEL that such new levy / tax is applicable to this contract.

- B) The clause SI No: 3 – PRICE VARIATION COMPENSATION (PVC) published in VOLUME-IA PART – II CHAPTER 1- CORRECTIONS / REVISIONS IN SPECIAL CONDITIONS OF CONTRACT, GENERAL CONDITIONS OF CONTRACT AND FORMS & PROCEDURES **stands deleted**.
- C) The clause SI No: 5 as mentioned below is added in VOLUME-IA PART – II CHAPTER 1- CORRECTIONS / REVISIONS IN SPECIAL CONDITIONS OF CONTRACT, GENERAL CONDITIONS OF CONTRACT AND FORMS & PROCEDURES

SI No: 5

PRICE VARIATION COMPENSATION (PVC)

The PRICE VARIATION COMPENSATION (PVC) clause 2.17 published in General Conditions of Contract (Volume I Book-II) is revised as under.

2.17 PRICE VARIATION COMPENSATION

- 2.17.1 In order to take care of variation in cost of execution of work on either side, due to variation in the index of LABOUR, HIGH SPEED DIESEL OIL, WELDING ROD, CEMENT, STEEL, MATERIALS, Price Variation Formula as described herein shall be applicable (*only for works executed during extended period, if any, subject to other conditions as described in this section*).
- 2.17.2 85% component of Contract Value shall be considered for PVC calculations and remaining 15% shall be treated as fixed component. The basis for calculation of price variation in each category, their component, Base Index, shall be as under:

SL NO.	CATEGORY	BASE INDEX	PERCENTAGE COMPONENT ('K')				
			CIVIL PACKAGES (See Note A/B/C)			MECHANICAL PACKAGES	Electrical, C&I, Material Management/ Handling and other labour oriented packages
			A	B	C		
i)	LABOUR (ALL CATEGORIES)	'MONTHLY ALL-INDIA AVERAGE CONSUMER PRICE INDEX NUMBERS FOR INDUSTRIAL WORKERS' published by Labour Bureau, Ministry of Labour and Employment, Government of India. (Website: labourbureau.nic.in)	40	25	30	65	80
ii)	HIGH SPEED DIESEL OIL	Name of Commodity: HSD OIL. Commodity code:1200020005 (See Note E)	5	3	5	5	5
iii)	WELDING ROD	Name of Commodity : WELDING ROD Commodity code:1310030017 (See Note E)				15	
iv)	CEMENT	Name of Commodity : GREY CEMENT Commodity code:1309030001 (See Note E)		20	30		
v)	STEEL (Structural and Reinforcement Steel)	Name of Commodity: a2. STEEL: LONG Commodity code:1310010200 (See Note E)		25			
vi)	All OTHER MATERIALS (Other than Cement & Steel)	Name of Commodity: ALL COMMODITIES Commodity code:1000000000 (See Note E)	40	12	20		

- Note:**
- A) Cement & Steel: Free Issue (BHEL Scope)
 - B) Cement & Steel: In Contractor Scope
 - C) Cement in Contractor Scope, and Steel is Free Issue (BHEL Scope)
 - D) For Composite packages (i.e. Civil+Mechanical+Electrical and/or CI or Civil+Mechanical or Mechanical+Electrical and /or CI), the Component ('K') for various categories shall be as per respective packages as above
 - E) As per the 'MONTHLY WHOLE SALE PRICE INDEX' for the respective Commodity and Type, published by Office of Economic Adviser, Ministry of Commerce and Industry, Government of India.(Website:http://www.eaindustry.nic.in/download_data_0405.asp). Revisions in the index or commodity will be re adjusted accordingly.

2.17.3 #

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

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

Where

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

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

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

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.

2.17.5 **Base date shall be the calendar month of the schedule completion date (i.e. Actual start date + Scheduled Contractual completion period as per Letter of Intent/award and/or work order).**

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

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

2.17.8 The contractor will be required to raise the bills for price variation payments on a monthly basis along with the running bills irrespective of the fact whether any increase/decrease in the index for relevant categories has taken place or not. In case there is delay in publication of bulletins (final figure), the provisional values as published can be considered for payments and arrears shall be paid/recovered on getting the final values.

2.17.9 PVC shall be applicable only, during 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:

- i) For the portion of shortfall/backlog not attributable to contractor, PVC shall be worked out on the basis of indices applicable for the respective month in which work is done. Base index shall be applicable as defined in clause 2.17.5
- ii) In case of Force majeure, 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 base 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 in which work is done excluding the effect of change in indices during total period of Force majeure(s) invoked after "base date"/ "revised base date" as the case may be. Base index shall be taken as on "base date"/" revised base date" as the case may be.
- iii) The total amount of PVC shall not exceed 15% of the cumulatively executed contract value. Executed Contract value for this purpose is exclusive of PVC, ORC, Supplementary / Additional items and Extra works except items due to quantity variation.
- D) All other conditions of the Tender Specification remain unchanged.
- E) Bidders are requested to consider this Corrigendum as part of the Tender Specification and quote accordingly.



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