

## **ANNEXURE TO CONDITIONS OF CONTRACT FOR CIVIL WORKS**

The following terms and conditions shall form a part of the tender document. If any discrepancies found between below mentioned clauses and clauses in the Conditions of Contract for Civil Works, Doc.No.-TB-Civil-GCC, Rev-02, the clauses mentioned in this annexure shall prevail.

1. **Clause C-27.0 of “Over run charges”** under special conditions of contract is now deleted. No overrun charges are payable under the contract.
2. **Clause C-35.0 “secured advance”** under special conditions of contract is now deleted. No advance on materials shall be payable under the contract.
3. **Clause C- of “C-29.7 ”** under special condition of contract is now deleted and now this clause should be read as below.
  - a. All taxes (except Service Tax including Educational Cess), WCT under VAT act, duties, charges etc for 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 have to be borne by the contractor. Quoted price of the bidder shall be inclusive of all such requirements.
  - b. Service Tax (including Educational Cess) as legally leviable & payable by the contractor under the provisions of applicable law/ act shall be paid by BHEL as per contractor's bill. However, contractor shall have to submit proof of Service Tax deposited by them immediately after the deposit but not later than the next bill submitted after the due date of deposit. The contractor shall furnish proof of Service Tax registration with Central Excise Division covering the services covered under this contract. Registration should also bear endorsement for the premises from where the billing shall be done by contractor on BHEL for this project. The contractor shall obtain prior approval of BHEL before billing the Service Tax amount.
  - c. With introduction of CENVAT credit rules 2004 which came into force wef 10-09-04, Excise Duty paid on input goods including capital goods used for providing the output service & service tax paid on input service can be taken credit of against the Service Tax payable on output service. As such, while offering the rates, contractors may take into account benefit of above provisions as the cost of input to contractors will be cost net of Excise Duty & Service Tax and adjust their offer price accordingly to make it more competitive.
  - d. As such, bidder's quoted rates shall be exclusive of Service Tax (including Educational Cess). Any changes in Service Tax rules (by Govt) shall be complied with.
  - e. Vendor may have to opt for composition scheme applicable for execution of the contract vide notification no 32/2007, dated 22-06-07. For that, vendor shall obtain prior approval of BHEL before deposit of Service Tax to Service Tax Department.
  - f. Contractor should be registered under State VAT Act of concerned state. They should produce their Registration No and copy of Registration Certificate as proof of registration and contractor shall produce proof of payment of VAT so that BHEL as main contractor can get the benefit of deduction of input credit from the contractual transfer price under VAT Act of concerned state. Contractors should produce Tax

Invoice, copy of tax paid challan, copy of returns of the bidder showing BHEL portion of job value separately and other necessary documents to BHEL as required under VAT Act/ Rules so that BHEL can avail input credit under VAT Act.

**4. OVER ALL PRICE VARIATION-**

The individual quantity can vary to any extent or may be deleted for which no compensation will be payable to the contractor and the rates will remain firm. Also the rate of each item remains firm as long as the variation in the total value of work executed under the contract including extra items if any remains within plus/minus 30 percent of the contract value. In case the actual value of executed work including extra work on completion of work becomes less than 70% of the basic/original contract value than the following method shall be adopted.

The actual executed value shall be raised by 7% (For arriving at the final payment against work executed ) subject to the condition that total value of work executed plus increase by 7% as above shall be limited to 70% of the basic/original contract value. The rate quoted shall be firm irrespective of any upward variation in the contract price.

It is further clarified that the enhancement/rate revision on the basic rate as per PVC clause shall not be accounted for the purpose of operating this clause.

**5. All other terms and conditions of tender shall remain unchanged.**