

BHARAT HEAVY ELECTRICALS LIMITED
Transmission Business Group
Subcontract Management

Special Terms & Conditions

1.0 EARNEST MONEY DEPOSIT

- 1.1 "Every Tender must be accompanied by the Earnest Money Deposit as specified in NIT in cash (as permissible under Income Tax Act), Pay order or Demand Draft only"
- 1.2 CASH: The amount should be remitted by the party to the cashier of Bharat Heavy Electricals Limited, Industry Sector, Integrated Office Complex Lodhi Road, New Delhi .and "Cash Receipt" issued shall be enclosed along with the tender.
- 1.3 Demand Draft or Pay Order: From State Bank of India/ Nationalised Banks in favour of Bharat Heavy Electricals Limited, payable at New Delhi.
- 1.4 Tenders received without Earnest Money in full or in the manner prescribed above will not be considered.
- 1.5 **EMD of the successful tenderer shall be converted and adjusted against security deposit.**
- 1.6 EMD given by all unsuccessful tenderers shall be refunded after acceptance of award of work by the successful tenderer.
- 1.7 BHEL reserves the right of forfeiture of Earnest Money Deposit in case the successful tenderer:
- a) After opening of tender, revokes / withdraw his tender within the validity period, revises / alters his earlier quoted rates / conditions.
 - b) The tenderer does not commence the work within the period as per LOI /Contract. In case the LOI / contract is silent in this regard then within 15 days

2.0 SECURITY DEPOSIT:

- 2.1 Upon acceptance of tender, the successful tenderer must deposit the Security Deposit before commencement of work. The rate of Security Deposit will be as below :

Work upto Rs. 10 Lakhs	:10%
Above Rs. 10 Lakhs upto Rs. 50 Lakhs	:1Lakh+7.5%of the amount exceeding 10 Lakhs.
Above Rs. 50 Lakhs	:Rs. 4 Lakhs + 5 % of the amount exceeding Rs. 50 Lakhs. "

2.2 The Security Deposit should be deposited in any one of the following forms:

- i) Cash (as permissible under the Income Tax Act).
- ii) Pay Order, Demand Draft in favour of BHEL.
- iii) Local cheques of scheduled banks, subject to realization.
- iv) Securities available from Post Offices such as National Savings Certificates, Kisan Vikas Patras etc.
(Certificates should be held in the name of Vendor furnishing the security and duly pledged in favour of BHEL and discharged on the back).
- v) Bank Guarantee from scheduled Banks/ Public Financial Institutions as defined in the Companies Act. The Bank Guarantee format should be as per prescribed proforma. Bank Guarantee from Co-operative bank will not be accepted.
- vi) Fixed Deposit Receipt issued by Scheduled Bank / Public Financial Institutions. The FDR should be in the name of the vendor, A/C BHEL, duly discharged on the back.
- vii) Security deposit can also be submitted at the rate of 10% from the running bills. However in such cases at least 50% of the Security Deposit should be submitted before start of the work and the balance 50% will be recovered from the running bills.
- viii) The security deposit will not carry any interest.
- ix) Security deposit will not be refunded to the vendor except in accordance with the terms of the contract.

Note :

- 1) The validity of the Bank Guarantee furnished towards Security Deposit under (v) above shall be up to three months more than the contract period. If the rate contract is extended, the vendor shall extend the Bank Guarantee.
 - 2) Acceptance of Security Deposit against Sl. No. (iv) and (vi) above will be subject to hypothecation or endorsement on the documents in favour of BHEL. However, 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.
 - 3) The BG shall be submitted only through the Banker and direct submission by the party will not be accepted. Along with the BG, the Bank shall also furnish a letter of confirmation (As per prescribed format for the BG issued).
- 2.3 If the value of the work done at any time exceeds the accepted agreement value, Security Deposit shall be correspondingly enhanced and the extra Security Deposit shall be immediately deposited by the vendor or recovered from the payments due to him.
- 2.4 Failure to deposit the Security Deposit within the stipulated time, may lead to forfeiture of EMD and cancellation of the award of work.
- 2.5 BHEL reserves the right of forfeiture of Security Deposit in addition to other claims and penalties in the event of the vendor's failure to fulfill any of the contractual obligations or in the event of termination of contract as per terms and conditions of the contract. BHEL reserves the right to set off the Security Deposit, against any claims of any other contracts with BHEL.

2.6 Security deposit will be returned after successful completion of all activities of each projects covered under this rate contract.

2.7 No interest shall be payable by BHEL on Security Deposit or on any money due to the vendor.

3.0 TERMS OF PAYMENT

3.1 No Mobilisation advance is payable

3.2 90% payment against monthly progressive invoices duly certified by our commissioning engineer at site/ site in charge.

3.3 10% against total commissioning of all the equipments and panel under scope of work and submission of test report and hand corrected as built drawings.

3.4 100% To & Fro train fare, air fare, luggage and portage expenses, local transportation, accommodation charges and other charges applicable as per clause No. 12.0 & 13.0 shall be released along with 90% payment mentioned at Sl. no. 3.2) above.

3.5 Payment will be released within forty five (45) days from the date of receipt of clear invoice from the contractor.

4.0 TAXES & DUTIES:

4.1. TDS under Income Tax, etc. if any, shall be deducted at prevailing rates on Gross Value of invoice from the running bills unless Exemption certificate from the appropriate Authority/Authorities is furnished.

4.2. All taxes (Except service Tax including Cess/surcharge etc on service tax as applicable) duties, charges, royalties, duties etc. any State or Central Levy and other taxes for materials for execution of the contract shall be borne by the consultant 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 consultant. Quoted price of the bidder shall be inclusive of all such requirements.

4.3. Consultants have to make their own arrangement at their cost for completing the formalities, if any, for bringing their plant, machinery, instrument, equipment etc. at site for the execution of contract. Road permit / way bill, if required shall be arranged by the consultants and BHEL will not supply any road permit / way bill for this purpose.

4.4. Service Tax (including Cess/surcharge etc on service tax as may be applicable) as legally leviable & payable by the consultants under the provisions of applicable law/ act, shall be paid by BHEL extra as per provision of applicable law. The consultant must be duly registered service provider under service tax law The invoice shall be a Tax invoice under service tax law and it should clearly depict following (i) the service tax registration number of the consultant (ii) the amount of service tax (iii) the rate of service tax (iv) any other requirement specified by law.

BHEL will not be held to be responsible for any non-compliance of the consultant in respect of various service tax rules, being framed from time to time. Consultant will be required to provide all necessary documents / certificates as may be necessary for availment of input credit by BHEL.

- 4.5. Tender rates are inclusive of all taxes, duties levies etc except service tax. Any variation in applicable taxes & duties except service tax shall be borne by consultant. Service tax as per Clause No. 4.4 above will be paid extra as per Contract. However, regarding newly introduced taxes (i.e. taxes introduced by government after tender opening date) reimbursement will be made subject to following
- (a) if new tax introduced by Central Govt. /state Govt./ /Municipality becomes directly applicable on items specified in Bill of Quantities and as per the scheme announced by the government and new tax is neither in lieu of substitution nor in lieu of abolition, reduction of any of present taxes but is altogether a new tax, full reimbursement will be made provided it becomes directly applicable on items specified in BOQ.
 - (b) If new tax introduced by Central /state Govt. becomes directly applicable on items specified in Bill of Quantities but is in substitution /abolition /reduction of any present taxes other than service tax, no reimbursement will be made to that effect.
 - (c) *If new tax introduced by Central /state Govt becomes directly applicable on items specified in Bill of Quantities but EITHER is in substitution /abolition of service tax OR is in substitution /abolition of service tax as well as any or all of present taxes, reimbursement will be made only to the extent service tax rate, which the consultant is entitled as per contract on the date immediately prior to date on which rate of new tax announced by Government becomes applicable/effective. New tax shall be paid at actual restricted to service tax rate which the consultant is entitled on the date immediately prior o date on which rate of new tax announced by the Govt. becomes applicable/effective, will have to be borne by consultant .If required, unit rates specified in BOQ may have to be appropriately adjusted for the work/bills pertaining to period after new tax becomes applicable.*

It is further clarified in any of above cases, no reimbursement of any new tax shall be considered unless new tax becomes directly leviable on items specified in BOQ.

5.0 VARIATIONS

5.1 PRICE VARIATION

Price will be firm and no price escalation is payable throughout the execution/ extended period of the rate contract.

5.2 QUANTITY VARIATION

The quantities indicated in “Bill of Quantity” attached with the tender are tentative/ indicative in nature for entire period of contract. Depending upon requirement, quantity of individual items may varies from -100% to +10%.

However, no compensation will be given even if variation is more than indicated above.

6.0 FINALIZATION OF RATE CONTRACT AND ALLOCATION OF JOB:

- 6.1 BHEL does not bind itself to accept the lowest or any tender but reserves the right to accept /reject any tender without assigning any reason thereof. The offer will be evaluated on overall L1 basis.
- 6.2 The Rate Contract is proposed to be entered with Two [02] Nos. of Vendors. The Original L-1 Vendor would be allotted 60 % of the Rate Contract Quantity. Upon agreeing to accept the Counter – Offered Rates of the Original L-1 Vendor, L – 2 Vendor would be given 40 % of the Rate Contract Quantity. To arrive at L – 2 the Original L – 1 rate would be Counter Offered sequentially to Vendors who are Techno – Commercially acceptable & are L – 2, L – 3, L – 4 & so on. In case no other vendor accepts L-1 rates the total qty shall be allotted to L-1 vendor.
- 6.3 The distribution of individual Projects to Vendors with whom Rate Contract is entered would be at the sole discretion of BHEL.

7.0 PERIOD OF RATE CONTRACT:

The rate contract shall be valid for 2 year, effective from the date of issue of LOI. However, BHEL may renew the contract for a further one year with mutual consent. BHEL shall reserve the right and option to effect premature termination of this rate contract at any point of time, if felt necessary.

The contract shall be valid for the project sites where services of testing commissioning sought in the duration of the Rate contract.

A separate work order shall be issued for each particular project. The project specific BOQ shall be furnished to successful bidders on case to case basis. The contract value for each project specific case will be work out as per the rate quoted by the contractor in their offer.

8.0 ADDITIONAL EXPENDITURE AND LOSS/ DAMAGE:

In case any additional expenditure is incurred in the works arising out of the faulty execution of the works by the contractor, such additional expenditure shall be borne by the contractor.

If due to contractor's personnel carelessness, negligence, non-observance of safety precautions, damage to BHEL/its Customer's property and/or personnel should occur, and if BHEL is unable to recover its claim from the Insurance Company, the deficit will be recovered from the Contractor

9.0 PROTECTION OF WORK & INSURANCE

Contractor shall effectively protect his work, testing instruments, material from theft, damage or tempering at his own expenses till the work is finally taken over by the BHEL/Owner.

Contractor shall take insurance cover(s) to cover his testing instruments, Assets, workmen compensation and third party liability. The contractor shall make available the original insurance cover(s) to the Engineer for necessary verification before commencement of work.

10.0 TESTING ENGINEER/ MANPOWER AND INSTRUMENTS :

- 10.1 On receipt of a specific work order and intimation of readiness of site and requirement of resources for testing, the contractor will depute his team of engineers/ technicians to site who will report to BHEL's testing engineers/ site in charge.
- 10.2 Contractor has to depute qualified personnel to BHEL's site who will present their credentials/ licence/ certificates to BHEL's testing engineer/ Site Incharge.
- 10.3 Commissioning team members shall not be allowed to be changed unless commissioning engineer/other staff are found incompetent & sick. Under such circumstances contractor has to supply replacement of engineer within 5 days. Contractor shall obtain prior permission from BHEL before releasing his manpower from site.
- 10.4 Contractor's manpowers are expected to conduct themselves in most professional/ethical manner and must follow the directives given to them by BHEL's testing engineer/ site in charge.
- 10.5 If during the currency of the work any member of contractor's team is found unqualified/ behaving in unethical / unacceptable/ working in non-professional ways then BHEL reserves the right to expel such person from site. In such cases contractor has to provide alternate manpower qualified for the work within 72 hours on receipt of such information/ notice by e-mail/ phone/ letter.
- 10.6 In case alternate engineer/technician is not provided within stipulated time then the penalty equal to double the man hour rate given in contract BOQ will be imposed on the contractor.
- 10.7 If such alternate manpower is not provided within the time required by BHEL/ its customer then BHEL reserves the right to call such manpower from alternate source at the risk & cost of the contractor.
- 10.8 The contractor shall provide list of testing instruments to BHEL before the commencement of work at site. These testing instruments shall not be removed from site without the written permission of the owner/BHEL.

11.0 COMMUNICATION:

The Contractor will make his own arrangement for all his communication needs such as telephone, fax, internet etc.

12.0 TRAVEL, TRANSPORTATION AND ACCOMMODATION

- 12.1 BHEL shall reimburse to & fro train fare for engineers of testing & commissioning agency. Reimbursement of travel fare shall be limited to railway AC 3-tier fare.
- 12.2 Luggage & porter expenses for transportation of testing equipment and instruments from vendor office and at Railway station to site/port (in case of overseas project) shall be reimbursed by BHEL against submission of documentary proof.
- 12.3 To & Fro local transportation for engineer / team of engineers shall be provided by BHEL. In case BHEL unable to provide the same, the rate offered by the contractor in the BOQ shall be payable.
- 12.4 For North Eastern States or high altitude areas where rail or surface transport system is not readily available, prior approval from BHEL, TBG must be obtained for air travel of manpower and instruments through low cost airlines. The amount will be reimbursed after submission of valid travel documents. For hilly areas or in case of emergency (as intimated by BHEL TBG) man and material can be transported through hiring taxis or private vehicle. The amount will be reimbursed after submission of valid documents.
- 12.5 BHEL shall reimburse travel charges or transportation charges only from Vendor HQ to site and vice versa upon producing travel documents. Any travel or transportation of Engineer or test instruments from another place other than HQ to site must be intimated and approved by BHEL TBG.
- 12.6 BHEL shall provide free bachelor accommodation near the site of work for the stay of team of engineers. In case contractor is advised by BHEL to arrange their own accommodation, the charge for the same shall be reimbursed as per the rate offered by the contractor in the BOQ.
- 12.7 Insurance of their team & testing instruments and medical insurance of their team shall be in the scope of the contractor. BHEL will not be responsible for any consequence which arises at any stage of execution of the job.

13.0 OVERSEAS PROJECT

In addition to above terms & conditions followings special conditions shall be applicable for the overseas projects

- 13.1 BHEL shall reimburse to & fro fare for engineers of testing & commissioning agency. Reimbursement of travel fare shall be limited to railway AC 3-tier fare for travel in India from vendor office to nearest railway station of the airport and economy class of low cost airlines for travel abroad. Contractor will take prior approval along with their travel program from BHEL TBG.
- 13.2 Luggage & porter expenses for transportation of testing equipment and instruments from vendor office and at Railway station to site/port (in case of overseas project) shall be reimbursed by BHEL against submission of documentary proof.. Inland transport in foreign location from airport to site will be arranged by BHEL.

- 13.3 BHEL shall provide free Lodging, Boarding (transit flat) and local transport.
- 13.4 Visa charges shall be reimbursed by BHEL at actuals on submission of documentary proof.
- 13.5 Vendor will be full responsible for carriage, dispatch, safety, insurance, custom clearance (if involved), carriage of documents etc. Any penalty/demurrage (if levied) will be on vendors account. BHEL will pay custom duty if any (with prior approval of BHEL) for instruments etc. only if non-refundable. Charges of custom clearance agent will be reimbursed subject to limit of charges of BHEL approved agent if any with prior approval of Head/TBTS.
- 13.6 The quoted price should be inclusive of all charges but exclusive of all taxes and duties outside India. All taxes & duties for the testing and commission work as applicable in the concerned country shall be reimbursed to the contractor on submission of documentary proof. The contractor shall comply with all statutory rules, regulations, laws & shall follow applicable safety norms of the concerned country while performing the tests.
- 13.7 All payments shall be made in Indian rupees only.
- 13.8 Security arrangement which is available for BHEL staff if any at site shall be provided to contractor's engineers also.
- 13.9 Insurance of their team & testing instruments and medical insurance of their team shall be in the scope of the contractor. BHEL will not be responsible for any consequences arise at any stage of execution of the job.

If any discrepancies found between “special conditions of contract” and “condition of contract for testing & commissioning works” the clauses mentioned in the “special conditions of contract” shall prevail.