

**TERMS & CONDITIONS TO BE ANNEXED WITH THE TENDER ENQUIRY TO BE FLOATED FOR SOIL INVESTIGATION WORK AND EARTH RESISTIVITY TEST AT VARIOUS SITES OF ELECTRICAL SUBSTATIONS SPREAD ALL OVER INDIA ON 'RATE CONTRACT BASIS' FOR A PERIOD OF TWO YEARS**

1. **Scope:** Refer specification for individual item. The detailed contract specific-BOQ will be furnished to successful bidder on case to case basis. Contract value will be worked out as per agreed contracted rates.

2. **Earnest Money deposit:**

- 2.1 The contractor is required to deposit one time EMD of Rs. 20,000/-. This EMD amount will be retained by BHEL till the last job awarded under this rate contract is over. The EMD is to be deposited in any one of the following forms only
  - i) **CASH:** The amount should be remitted by the party to cashier of Bharat Heavy Electricals Limited, at BHEL, Industry Sector, Integrated Office Complex, Lodhi Road, New Delhi and "Cash Receipt" issued shall be enclosed along with tender.
  - ii) **Demand Draft or Pay order:** From State Bank of India/ Nationalised Banks in favour of Bharat Heavy Electricals Limited.
- 2.2 Tenders received without Earnest Money in full or in the manner prescribed above will not be considered.
- 2.3 In the case of unsuccessful tenderer the Earnest Money will be refunded to them after finalization of the tender.
- 2.4 BHEL reserves the right of forfeiture of Earnest Money deposit in case the successful tenderer:
  - (a) After opening of Tender, revokes/withdraws his tender within the validity period or revises/alters his earlier quoted rates/conditions.
  - (b) Fails to communicate unqualified acceptance of letter of intent within 15 days from the date of issue of Letter of Intent.
  - (c) Fails to start the work as indicated in the Letter of Intent.
- 2.5 The EMD shall not carry any interest.

3. **Security Deposit:**

- 3.1 The contractor is required to submit security deposit i.e. 10% of contract value separately for each order placed on them before commencement of work.
  - 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 Contractor 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 have the approval of BHEL.
- vi) Fixed Deposit receipt issued by Scheduled Bank / Public Financial Institutions as defined in the Companies Act. The FDR should be in the name of the contractor, A/C BHEL, duly discharged on the back.
- vii) The security deposit shall not carry any interest.
- viii) Security deposit shall not be refunded to the contractor 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 period of completion of work as stipulated in the LOI and the same will be kept valid by proper renewal till the completion of the work.

2) 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.

3) 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.

3.2 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 contractor or recovered from the payments due to him.

3.3 Failure to deposit the Security Deposit within the stipulated time, may lead to cancellation of the award of work.

3.4 If any part of the Security Deposit of the contractor is held in the form of approved securities, it shall be kept transferred in the name of BHEL, in such a manner that the same can be realized fully without referring to the contractor. BHEL shall not be responsible for any depreciation in the value of Security while in BHEL's custody or for any loss of interest thereon.

- 3.5 BHEL reserves the right of forfeiture of Security Deposit in addition to other claims and penalties in the event of the contractor's failure to fulfil any of the contractual obligations. BHEL reserves the right to set off the Security Deposit, against any claims of any other contracts with BHEL.
- 3.6 **RETURN OF SECURITY DEPOSIT:** If the contractor duly performs and completes the work in all respects to the entire satisfaction of BHEL, Security Deposit will be released to the contractor along with final bill. It may be noted that in no case the Security Deposit shall be refunded/released prior to passing of final bill.
- 4 **Value of Contract and Quantity variation:** The quantity indicated in Bill of Quantity attached with the tender is only for evaluation of the standing of the bidders. The rate contract will be awarded for entire quantity to one party on overall L1 basis. The detailed project specific BOQ will be furnished to successful bidder on case to case basis. Contract value for each job will be worked out as per agreed contracted rates. Individual quantity of items may vary to any extent.
- 5 **Taxes & Duties:** All taxes including sales tax / works tax / service tax, etc., if any shall be to the contractor's account. It may be noted that no reimbursement shall be made on account of increase in rates of existing taxes, duties etc. (as on latest date of offer submission to TBG, BHEL, New Delhi) and also on account of imposition of any new tax and duties subsequently by statutory authority during contract period.
- 6 **Price variation:** Prices shall be firm and no price escalation is payable throughout the execution/extended period of the rate contract.
- 7 **Discrepancies and adjustment of errors:** If on check there are found to be differences between the rates given by the contractor in words and figures or in the amount worked out by him in the schedule of quantities and general summary, the same shall be adjusted in accordance with the following rules :
- a) In the event of discrepancies between description in words and figures quoted by tenderer, the description in words shall prevail.
  - b) In event of an error occurring in the amount column of schedule of quantities as a result of wrong extension of the unit rate and the quantity, the unit rate shall be regarded as firm and extension shall be amended on the basis of the rates.
  - c) All errors in totalling in the amount column and in carrying forward totals shall be corrected.
- 8 **Validity of offer:** 60 days from the tender opening date.

- 9 **Terms of Payment::** 100% payment after completion of work, submission of Test Report, and acceptance by BHEL / Customer, by cheque on submission of bills duly authenticated by BHEL/Customer's representative along with proof of distance. BHEL shall be releasing payments against this work order after deduction of Income Tax at source as per requirements of Income Tax Rules and BHEL will issue appropriate certificates in this regard. The security deposit submitted by contractor will also be refunded along with the payment.
- 10 **Completion Time:** Within 5 Weeks from the date of placement of project specific order by BHEL.
- 11 **Penalty for delay in completion:** If the contractor fails to complete the work within specified contractual period for the project specific work order or extension granted by the engineer, the contractor shall pay a sum calculated @ 0.5% of the contract value per week of delay or part thereof as penalty, subject to a maximum of 10% of the contract value.
- 12 **Validity period of Rate Contract:** Initially for two years from the date of award of contract by BHEL. The rate contract may be renewed for further period of one more year.
- 13 **Law governing the contract & court of jurisdiction:** The contract shall be governed by the law for the time being enforce in the Republic of India. The civil court at New Delhi having ordinary Original Civil Jurisdiction shall alone have exclusive jurisdiction in regard to all claims in respect of this contract.