

ANNEXURE TO GCC 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.

1.0 Clause C-27.0 “Over run charges” under special conditions of contract is now deleted. No overrun charges are payable under the contract.

2.0 Clause C-35.0 “secured advance” under special conditions of contract is now deleted. No advance on materials shall be payable under the contract.

3.0 Clause C-26.0 “Price Variation” under special conditions of contract is now deleted and now this clause should be read as below:

3.1 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, CEMENT,& MATERIALS, Price Variation Formula as described herein shall be applicable.

3.2 85% component of Contract Value shall be permitted to be adjusted for variation in various relevant indices during execution of work. The remaining 15% shall be treated as fixed component

3.3 The basis for calculation of price variation in each category, their component, Base Index, shall be as under:

Sl. No.	Category	Base Index	COMPONENT ('K')
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)	30
ii)	HIGH SPEED DIESEL OIL	Name of Commodity: HSD OIL. Type : INDIVIDUAL COMMODITY (See Note A)	5
iii)	CEMENT	Name of Commodity : CEMENT Type: INDIVIDUAL COMMODITY (See Note A)	30
iv)	MATERIALS (Other than Cement & Steel)	Name of Commodity: ALL COMMODITIES Type: GROUP ITEM (See Note A)	20

Note:

A) 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 : www.eaindustry.nic.in)

- 3.4 Payment/recovery due to variation in index shall be determined on the basis of the following notional formula without any initial absorption, in respect of the identified components viz LABOUR, HIGH SPEED DIESEL, CEMENT & MATERIALS.

$$P = K \times R \times \frac{(XN - X_o)}{X_o}$$

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

K = Percentage component applicable for Labour, High Speed Diesel Oil, Cement and Materials

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

XN = Revised Index No for Labour, High Speed Diesel Oil, Cement and Materials for the billing month under consideration

Xo = Index no for Labour, High Speed Diesel Oil, Cement and Materials as on the Base date.

- 3.5 Base date shall be calendar month of the latest date of submission of Tender.
- 3.6 PVC shall not be payable for the ORC amount, Supplementary/ Additional Items, Extra works executed on manday rates basis.
- 3.7 The contractor shall furnish necessary monthly bulletins for the necessary indices from the relevant websites along with his Bills.
- 3.8 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.
- 3.9 PVC shall be applicable for the entire original contract period plus the extended period. However the Total Quantum of Price Variation amount payable/recoverable shall be regulated as follows:
- (i) For the portion of backlog attributable to the contractor, the PVC will be based on the average of the indices for the period of the original contract period.
 - (ii) For the period of Force Majeure, the PVC will be limited to the indices applicable at the beginning of the force majeure period.
 - (iii) For the portion of backlog attributable to BHEL, the PVC will be as per the indices applicable for the respective months.
 - (iv) The total amount of PVC shall be limited to 10% of executed contract value. Executed contract value for this purpose is exclusive of PVC, ORC, Supplementary/Additional Items, Extra works executed on manday rates basis.

4.0 Clause C-29.7, under special condition of contract is now deleted and now this clause should be read as below:

4.1 This Project is located in SEZ Area . Service Tax for services fully consumed with in SEZ are exempt.

4.2 Bidders may note that Project is located in DAHEJ Special Economic Zone Area . Name of main client is ONGC Petro Additions Limited (OPAL). OPAL is an Unit in Special Economic Zone. OPAL has awarded contract to BHEL .

Bidders are requested to quote their prices considering the exemptions/benefits , which they are entitled to avail , as regards VAT (Gujarat VAT) , Service Tax , CST , Custom Duty, Works Contract Tax (WCT), Excise Duty for performing work with in SEZ Area. Responsibility for completion of all documentation and formalities etc. as may be applicable from time to time , required for availing necessary exemptions, shall solely lie with bidders. BHEL will also assist in documentation /signing of papers wherever required as per law.

4.3 Bidders are requested to make themselves fully aware & conversant with prevailing law , rules , procedures & practices , formalities and documentation required for (a) exemptions/benefits which they may avail (b) Entry of Goods in SEZ (c) Taking the goods out of SEZ (c) Performing activities within SEZ .In case BHEL; /OPAL has to bear any fine/penalty/duty /taxes /any other costs by whatsoever name called , for contravention/violation of any rules/ ,undertakings given by them ,or due to any of their acts or deeds, whatsoever nature , contractor shall be liable to make good the loss to BHEL . BHEL shall be at its liberty to deduct the amount from payment of contractor

Bidders are requested to indicate the formalities/documentation, which the bidders expect to be completed by BHEL /OPAL, if any, for availing exemption.

4.4 Variations in taxes, duties etc :

A. Regarding Newly Introduced taxes:

As regards newly introduced taxes (i.e. taxes introduced by Govt. after tender opening date), No reimbursement will be made for taxes / duties not directly levied on items specified in Bill of Quantities. However for newly introduced taxes, which become directly leviable on items specified in BOQ, reimbursement will be made by BHEL subject to following:

a) Provided no reimbursement will be made if exemption in respect of new tax can be availed as per law/SEZ Policy prevailing at that time.

b) In case as per law/ SEZ Policy prevailing at that time , no exemption can be availed or only partially exemption is available in respect of new tax, reimbursement will be limited to the extent it has additional burden on contractor

c) In case tax newly introduced by Central/State Govt. becomes directly applicable on items specified in Bill of Quantities but is in substitution / abolition / reduction of any of present taxes, BHEL will reimburse to the extent it has additional burden on contractor. While arriving at the amount of new tax, it shall be presumed that contractor will/has availed the applicable benefit as per modified law/SEZ Policy prevailing at that time. It shall be responsibility of bidder to comply with formalities/ documentation required for availing applicable taxation benefit. For old taxes, contractors past trend /record of availment of benefit may also be taken into consideration.

d) For verification of working of additional burden(if any), additional burden will be calculated with reference to tax rate structure/Taxation benefits prevailing as on date

of tender opening, contractor will have to provide such documents, details, information as considered fit by BHEL for verification of working.

- e) However, in case period of additional burden falls beyond the contractual period of contract, reimbursement will be made only if delay is not attributable to the contractor.

B. Regarding Present Taxes:

- a) As regards present taxes other than : (a) VAT (Gujarat VAT) (b) Service Tax (c) CST (d) Custom Duty (e) , Works Contract Tax (WCT) (f) Excise Duty:

In case of change in tax rates, no increase or decrease in prices shall be admissible. The prices are inclusive of all such taxes.

- b) As regards withdrawal /change of taxation benefits in respect of VAT (Gujarat VAT) , Service Tax , CST, Custom Duty , works Contract tax & Excise Duty :

- (i) BHEL will reimburse to the extent it has additional burden on contractor. While arriving at the amount, it shall be presumed that contractor will/has availed the applicable benefit as per modified law/SEZ Policy prevailing at that time. It shall be responsibility of bidder to comply with formalities/ documentation required for availing applicable taxation benefit. While arriving at the differential amount, contractors past trend /record of availment of benefit for these taxes may also be taken into consideration
- (ii) For verification of working of additional burden(if any), additional burden will be calculated with reference to tax rate structure/Taxation benefits prevailing as on date of tender opening, Contractor will have to provide such documents, details, information as considered fit by BHEL for verification of working .
- (iii) However, in case period of additional burden falls beyond the contractual period of contract, reimbursement will be made only if delay is not attributable to the contractor.

5.0 ISSUE OF STRUCTURAL STEEL

- 5.1 The structural steel for the works shall be supplied by BHEL as per BOQ. Hence under items of structural steel in BOQ, the bidders are required to quote labour rates only. **(Applicable only for BOQ Part-II items where BHEL supply is mentioned in the BOQ).**
- 5.2 The structural steel (Applicable only for free issued steel) shall be made available to the contractor within switchyard area. However, unloading of structural steel at site, storage & insurance during storage till consumption is also to be included in bidder's scope and deemed to be included in the quoted rates.
- 5.3 The contractor shall solely be responsible for the safety & security of material after it is handed over and issued to contractor by the BHEL.
- 5.4 BHEL issued materials, shall not be under any circumstances whatsoever, and shall be taken out of the project site unless otherwise permitted by BHEL for outside job.

5.5 Issue of steel: -The steel shall be issued to the contractor on the following basis:

(A)	Structural Steel	Weighment Basis (unit – MT) / Linear Measurement (section wt. As per relevant IS code)
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All the steel (structural) issued by the BHEL shall be properly accounted for. The total quantity of steel required for the work will be calculated from the approved bar bending schedule, fabrication drawings, approved laps, chairs and lugs. The measurement for payment as well as for accounting shall be based on linear measurements and the sectional weight as indicated in the following IS specifications.

Sl.no	IS code (s)	Description
1	IS: 808-1964	beams, channels and angle
2	IS: 1730-1961	plates, sheets and strips
3	IS:1732- 1971/IS-1786	Rounds including deformed high yield strength bars/TMT rebar.

In case any such sectional weights are not available in the above documents, the manufacturer recommendation shall be binding. The steel issued to the contractor shall be mainly in standard length and sections as received from the supplier.

However, the contractor shall be bound to accept the steel in length as available in the project stores no claims for extra payment because of issue of non-standard length will be entertained.

The contractor shall satisfy himself of the quality and quantity of the materials at the time of taking delivery from BHEL stores/storage yard. No claims whatsoever will be entertained by BHEL because of quality or quantity after the contractor takes the materials from BHEL stores/storage yard.

The contractor shall submit to the engineer, a statement indicating estimated quantity of steel required during a quarter at least two months in advance of the quarter. In addition, the contractor shall also furnish the estimated requirement of steel during a month by the third week of the previous month indicating his requirement.

Bidders to ensure that no lamination materials are taken over by them from BHEL stores. Fabrication wastage, if any due to above, shall not be compensated by BHEL.

5.6 RETURN OF STEEL:-

All surplus steel and all wastage materials will be taken back on weighment basis. However linear measurements shall also be acceptable for unused/ full size materials.

Surplus, unused and un-tampered steel shall be sorted section-wise and returned separately for a place directed by BHEL/engineer within the project area, return of such materials will not be entitled to any handling and incidental charges.

All wastage / scrap (including melting scrap, wastage, and unusable scrap) shall be returned item wise to the stores and a receipt obtained for material accounting purposes. Return of such material will not be entitled to any additional cost due handling and transportation and incidental charge.

All scrap for structural steel including melting scrap shall be returned separately.

5.7 STEEL CONSUMPTION AND WASTAGE:-

5.7.1 CONSUMPTION

The theoretical consumption of various sections shall be based on approved construction drawing and bar bending schedule. Weight shall be calculated considering/based on linear measurements and the sectional weights as per Indian standards. No extra cost shall be payable to the contractor for any deviation in weights for the different procedures adopted for issue and calculation of the theoretical consumption including rolling tolerances. However if rolling margins exceeds the limit stipulated in IS codes, the same shall be considered for reconciliation purpose.

- I) Actual consumption = Issue – Surplus (unused).
- II) Surplus = Un-tampered and unused qty. of steel returned by the contractor to BHEL store along-with relevant documents.
- III) Wastage = Actual consumption – Theoretical consumption.

5.7.2 WASTAGE

Allowable wastage: - plus five percentage (+5%) of the theoretical consumption shall be considered as allowable wastage for both structural steel as well as MS plates. Wastage as further classified as cut pieces/serviceable scrap (pieces of rolled section lengths 3 m and above, MS plate 1.0 m² and above with minimum width 200 mm) and scrap/unserviceable (less than above) measured as per actual weighment basis. Invisible wastage (loss of materials due to gas cutting, straightening of edges etc) shall be limited to 0.5% (zero point five percent) of theoretical consumption and shall be considered for reconciliation purposes only. But this invisible wastage shall be considered to be included in allowable wastage (i.e. Five percent).

Sl. No.	Structural Steel & MS plats , Rolled section, plates & SS liner etc	Basis of issue & Penal recovery
S-1	Theoretical consumption (without considering wastage and scrap or loss)	Free
S-2	Wastage limited to plus five percent (+5%) of aforesaid theoretical Consumption (S-1) towards allowable Wastage (cut pieces plus scrap to be Returned to BHEL).	Free
S-3	Wastage beyond five percent (+5%) of the theoretical consumption above (S-1). (Cut pieces plus scrap to be returned to BHEL).	Penal Rate @ 50% over & above the procurement rate

5.8 RECONCILIATION OF BHEL ISSUED MATERIALS: -

- 1) The contractor shall submit a reconciliation statement of steel issued to them with each RA bill. BHEL engineer's certification will be final on this matter.
- 2) At the time of submission of bill(s), the contractor shall properly account for the material issued to him as specified herein to the satisfaction of BHEL certifying that the balance materials are available with contractor's custody at site.
- 3) At the time of submission of bills by the contractor, if it is noticed by BHEL that the wastage is high and calls recovery at the penal rate, then BHEL will proceed for recovery for the excess wastage as per penal recovery rates as specified.
- 4) The approved drawings/bar bending schedules are to be considered for the purpose of reconciliation of materials.

6.0 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.

All other terms and conditions of tender shall remain unchanged.