

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.

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

2.0 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- 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, Entry Tax & Labour welfare 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 invoice. The invoice shall be a invoice under service tax and it should clearly depict (i) the service tax registration number of the contractor (ii) the amount of service tax (iii) the rate of service tax (iv) the nature of service provided. 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.
- c. Entry Tax: Contractor will submit original payment receipt of entry tax and same will be passed to BSEB and only if it is agreed/paid by BSEB then benefit of the same will be passed on to the contractor. In case claim of contractor is not agreed/ paid by BSEB, claim will not be admissible.
- d. Labour Welfare Cess- Labour welfare tax (at Present @ 2%), if applicable will be reimbursed by BHEL/ BSEB on submission of original payment receipt.
- e. 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.

- f. 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.
- g. Contractor shall obtain prior approval of BHEL for adopting the scheme for assessment of the service tax amount for the contract before first deposit of service tax to service tax department. The vendor shall also arrange to provide such document/ certificate as may be necessary for availment of input credit by BHEL.
- h. 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.

4.0 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, ELECTRODE and MATERIALS (OTHER THAN CEMENT & STEEL), 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)	40
ii)	HIGH SPEED DIESEL OIL	Name of Commodity: HSD OIL. Type : INDIVIDUAL COMMODITY (See Note A)	5
vi)	MATERIALS (Other than Cement & Steel)	Name of Commodity: ALL COMMODITIES Type: GROUP ITEM (See Note A)	40

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, ELECTRODE, MATERIALS (OTHER THAN CEMENT & STEEL).

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

Where P = Amount to be paid/recovered due to variation in the Index for Labour, Electrode, High Speed Diesel Oil and Materials (Other than Cement & Steel)

K = Percentage component applicable for Labour, Electrode, High Speed Diesel Oil, and Materials (Other than Cement & Steel)

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

X_N = Revised Index No for Labour, Electrode, High Speed Diesel Oil and Materials (Other than Cement & Steel) for the billing month under consideration

X_0 = Index no for Labour, Electrode, High Speed Diesel Oil and Materials (Other than Cement & Steel) 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 20% 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.

5.0 BHEL ISSUED MATERIALS

5.1.1 STEEL (REINFORCEMENT, MS ROD & STRUCTURAL)

- 5.1.1.1 The steel (Reinforcement, MS Rod & Structural) for the works shall be supplied by BHEL as per BOQ. Hence under items of steel (Reinforcement & Structural) in BOQ, the bidders are required to quote labour rates only. **(Applicable only for items where BHEL supply is mentioned in the BOQ).**
- 5.1.1.2 The steel (Reinforcement, MS Rod & Structural) shall be made available to the contractor within project area. The contractor shall collect these material from BHEL Store/ Storage yard.
- 5.1.1.3 Bidder to note that steel required for their enabling job like store/site office etc shall be arranged at his own cost
- 5.1.1.4 The contractor shall solely be responsible for the safety & security of material after it is handed over and issued to contractor by the BHEL.
- 5.1.1.5 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.

5.1.2 ISSUE OF STEEL: -

The steel shall be issued to the contractor on the following basis:

(A)	Reinforcement Steel	Weighment basis (unit – MT)/ linear and earthing rod (MS round). Measurement (section wt. As per relevant IS code)
(A)	Structural Steel	Weighment Basis (unit – MT) / Linear Measurement (section wt. As per relevant IS code)

All the steel (Reinforcement, MS Rod & 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.

5.1.3 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 reinforcement steel (Cut pieces) shall be returned separately.

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

5.1.4 STEEL CONSUMPTION & WASTAGE

5.1.4.1 REINFORCEMENT STEEL & MS ROD

(A) CONSUMPTION:

The theoretical consumption of various section / diameter of reinforcement shall be based on approved construction drawing and bar bending schedule, approved laps, chairs & lugs. The weight shall be calculated considering 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 for the theoretical consumption including rolling tolerances. The consumption / wastage shall be determined as under:

- I) Actual consumption = (QTY issued by BHEL) – (surplus QTY returned by the contractor).

li) Surplus = Un-tampered and unused quantity of steel returned by the contractor to BHEL supported by relevant documents

lii) Wastage = actual consumption - theoretical consumption (as erected quantity)

(B) WASTAGE

Allowable wastage: (+5%) of the theoretical consumption shall be considered as allowable wastage.

Wastage is further classified as cut pieces [pieces of lengths 3 m and above] and scrap (including pieces of lengths less than 3 m) measured as per actual weight basis.

Sl.	Reinforcement steel & MS Rod	Basis of issue & penal recovery
R-1	Theoretical consumption [without considering wastage and scrap of loss]	Free
R-2	Wastage limited to plus five percent [+5%] of aforesaid theoretical consumption [r-1] towards allowable wastage [cut pieces plus scrap to be returned to BHEL]	Free
R-3	Wastage beyond five percent [+5%] of the theoretical consumption above (r-1).	Penal rate @ 50% over & above the procurement rate

5.1.4.2 STRUCTURAL STEEL

(A) 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.

(B) WASTAGE

Allowable wastage: - 5% (five percent) of the theoretical consumption shall be considered. Wastage shall be considered as cut pieces and scrap material, measured as per actual weightment basis. Invisible wastage,if any , shall be considered to be included in the specified 5 % allowable wastage.

Sl. No.	Structural Steel	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

5.2.0 CEMENT

5.2.1.1 The cement for the works shall be supplied by BHEL as per BOQ.

5.2.1.2 The cement shall be made available to the contractor within project area. The contractor shall collect these material form BHEL Store/ Storage yard.

5.2.1.3 Bidder to note that cement required for their enabling job like store/site office etc shall be arranged at his own cost

5.2.1.4 Cement as received from manufacturer/ stockiest will be issued to you. The theoretical weight of each bag of cement for issue purpose will be considered as 50kg. You shall be accountable for the cement issued to you on this notional weight only. No claim whatsoever will be entertained because of difference between the theoretical & actual weight of the bags of cement.

5.2.2 RETURN OF CEMENT:

Sealed cement bags remaining unused and in perfectly good condition at the time of completion or termination of the contract shall be returned promptly, if BHEL/ engineer is satisfied of the physical condition of the cement. Return of such cement to the project stores/ place as identified within the project area by engineer/ BHEL will not be entitled to handling and incidental charges. Surplus sealed and good conditioned cement bags will be taken back on weighment basis.

5.2.3 CONSUMPTION:

The theoretical consumption of cement shall be based on the following:-

For design mix concrete: as per approved design mix.

For nominal mix concrete work: as per minimum cement as specified or as approved by engineer-in-charge.

For item of works, where volume mix is permitted in writing by the BHEL, for masonry work, plaster other miscellaneous items, the cement consumption shall be governed by the "statement of cement consumption" attached to delhi schedule of rates of cpwd-dsr-2007 unless otherwise specified in the specifications or the drawing of contract or mutually agreed.

Actual consumption= qty issued by BHEL- surplus/unused qty. Of cement returned in good condition by you to store. (no sweep cement will be taken back by BHEL).

5.2.4 WASTAGE

Allowable wastage: - two percent (+2%) of theoretical consumption of cement unless specified in the technical specification.

For any material issued by BHEL to you free of cost, and which is not accounted for by you to BHEL, then recovery for such material shall be effected at penal rates.

SL.	CEMENT CONSUMPTION	BASIS OF ISSUE AND PENAL RECOVERY
C-1	Theoretical consumption (without considering any wastage or less).	Free.
C-2	Actual consumption being limited to plus two percent (+2%) of aforesaid theoretical consumption towards allowable wastage.	Free.
C-3	Actual consumption beyond two percent (+2%) of above (c-1).	Penal rate @ 50% over & above the procurement rate

5.3.0 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.

7.0 All other terms and conditions of tender shall remain unchanged.