

**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.

**A. Condition of Contract for Civil works (DOC. NO. – TB-Civil-GCC, Rev-02):****A. 1.0: GENERAL INSTRUCTION**

1.1 **All pages of the tender documents shall be duly signed, stamped and submitted along with the offer in token of complete acceptance thereof.** The information furnished shall be complete by itself. The tenderer is required to furnish all the details and other documents as required in the following pages.

1.2. Tenderers are advised to study all the tender documents carefully. Any submission of tender by the tenderer shall be deemed to have been done after careful study and examination of the tender documents and with the full understanding of the implications thereof. Should the tenderers have any doubt about the meaning of any portion of the Tender Specification or find discrepancies or omissions in the drawings or the tender documents issued are incomplete or shall require clarification on any of the technical aspect, the scope of work etc., tenderer shall at once, contact the authority inviting the tender well in time (so as not to affect last date of submission) for clarification before the submission of the tender. Tenderer's request for clarifications shall be with reference to Sections and Clause numbers given in the tender documents. The specifications and terms and conditions shall be deemed to have been accepted by the tenderer in his offer. Non-compliance with any of the requirements and instructions of the tender enquiry may result in the rejection of the tender.

**A.2.0 PROCEDURE FOR SUBMISSION OF SEALED TENDERS**

A.2.1 Bidders may please refer Cl no. 02 to Cl no. 03 of the Notice inviting tender.

A.2.2 The tenders received after the specified time of their submission shall be treated as 'Late Tenders' and shall not be considered under any circumstances.

A.2.3 Tenders shall be opened by the officers concerned of BHEL at the time, date and venue as specified in the tender enquiry. Tenderer or their authorized representative may witness the bid opening.

A.2.4 The tenderer shall closely pursue all the clauses, specifications and drawings indicated in the Tender Documents before quoting. Should the tenderer have any doubt about the meaning of any portion of the Tender Specifications or find discrepancies/omission in the drawings or the tender documents issued are incomplete or shall require clarification on any of the technical aspect, scope of work etc. he shall at once contact the authority inviting the tender for clarification before the submission of the tender.

A.2.5 Before submission of offer, the tenderer are advised to inspect the work & the environments and be well acquainted with the actual working and other prevalent conditions, facilities available, sourcing of material and labour, means of transport and access to site, accommodation, etc. No claim will be entertained later on the grounds of lack of knowledge on any of these conditions/ resources.

- A.2.6 Tenderer must fill up all the schedules and furnish all the required information as per the instructions given in various sections of the tender specification. Each and every page of the Tender Specification must be SIGNED AND SUBMITTED ALONG WITH THE OFFER by the Tenderer in token of complete acceptance thereof the information furnished shall be complete by itself.
- A.2.7 The tenderer shall quote the rates in English Language and international numerals. Total price offered should be entered in figures as well as in words. For the purpose of the tender, the metric system of units shall be used.
- A.2.8 **The tenderer shall quote a percentage above/ below/At Par the rates shown in the “Bill of Quantities Cum Price Schedule (Annexure-I)” of subject tender.**
- A.2.9 **The quoted percentage will apply to the individual items of “Annexure-I i.e Bill of Quantity Cum Price Schedule” uniformly.**
- A.2.10 All entries in the tender shall either be typed or be written legibly in ink. Erasing and overwriting are not permitted and may render such tender liable for rejection. All cancellations and insertions shall be duly attested by the tenderer.
- A.2.11 The tenderer must provide the registered e-mail of their registered office along with the addresses and authorised phone/mobile nos.

**A.3.0 ADJUSTMENT PRICE DISCREPANCY (IES): - Not Applicable being e procurement.**

**A.4.0 EVALUATION OF TECHNICAL BIDS**

- 4.1 Technical Bids submitted by the tenderer will be opened first and evaluated for fulfilling the Pre-Qualification criteria and other conditions in NIT/Tender documents, based on documentary evidences submitted along with the offer.
- 4.2 In case the same qualifying experience is claimed by more than one bidder due to subletting of work by main contractor to subcontractor (s) then following conditions shall be applicable.
- a) For labour + consumable contract without material and T&P:  
Benefit of work experience shall be given to the subcontractor who has actually executed job and not to the contractor offloaded down the line.
  - b) For contract with complete scope i.e. with materials, T&P, labour and consumable:
    - i) Benefit of work experience shall be given to the subcontractor who has actually executed job and not to the contractor offloaded down the line.
    - ii) If the contractor offloads the labour and/or T&P portion only, Benefit of work experience shall be given to the main contractor and not to the subcontractor who has executed only as labour supply contractor

The bidder's qualification shall be subject to submission of documentary proof. BHEL reserves the right to ask for further proofs including submission of TDS certificates/ for the said job.

- 4.3 In case the qualifying experience is claimed by private organizations based on Work Order and completion certificates from another private organization, BHEL reserves the right to ask for further proofs including submission of TDS certificates/ form 26AS

/bills for the said job.

- 4.4 Credentials of all the bidders participating in open tender will be scrutinized thoroughly by the nominated committee w.r.t. the pre-qualifying requirement for the tender.
- 4.5 Details of qualifying work(s) executed by the bidder will be forwarded to the principle employer for verification of the work with respect to completion, commencement & completion date, scope and value of the work executed. Performance feedback of the bidder will also be sought from the principle employer.
- 4.6 BHEL may conduct onsite verification of at least one of the qualifying work to verify completion of the work and evaluate capability and performance of the bidder.
- 4.7 The bidder representative may be called for the discussion with the committee. His originals may be verified by the committee. In addition to above their organization chart and detailed list of manpower, tools & plants and technical capability may be discussed and ascertained by the committee.

**5.0 EVALUATION OF PRICE BIDS**

- 5.1 Price Bids of unqualified bidders shall not be opened.
- 5.2 The offers will be evaluated on the basis of total price basis (refer "BILL OF QUANTITY AND PRICE SCHEDULE) as shown in the price bid.
- 5.3 Reasons for rejection of the bid shall be intimated in due course after issue of LOI/LOA to successful bidder and receipt of unconditional acceptance of LOI /LOA from the successful bidder
- 5.4 In case of electronic Reverse Auction, the unqualified bidders shall not be allowed to participate in reverse auction.

**A.6.0 DOCUMENTS TO BE ENCLOSED:**

Full information shall be given by the tenderer in respect of the following.

- 6.1 Tenders shall be signed by persons duly authorized/empowered to do so. An attested copy of the Power of Attorney to be submitted in all cases except where the sole proprietor is the signatory to the tender documents

**6.2 PERMANENT ACCOUNT NUMBER:**

Certified copies of Permanent Account Numbers as allotted by Income Tax Department for the Company / Firm / Individual Partners, etc. shall be furnished along with tender.

**6.3 AUDITED BALANCE SHEET AND INCOME TAX RETURN:**

Copy of Audited Balance sheets and income tax return for last three financial years (financial years as specified in PQR)

**6.4 SOLVENCY CERTIFICATE:**

If asked in NIT, bidder should submit solvency certificate (not older than 12 months from date of tender notification) issued by any scheduled bank.

**6.5 DOCUMENT RELATED TO INCORPORATION OF BUSINESS ENTITY:**

**6.5.1 IN CASE OF INDIVIDUAL TENDERER:**

- His/her full name, address and place & nature of business.
- 6.5.2 IN CASE OF PARTNERSHIP FIRMS:  
The names of all the partners with address. A copy of the partnership deed/instrument of partnership duly certified by the Notary shall be enclosed.
- 6.5.3 IN CASE OF COMPANIES:  
Date & place of registration including date of commencement certificate in case of Public Companies and the nature of business carried on by the company. Certified copies of Memorandum and Articles of Association are also to be furnished.
- 6.6 Offer forwarding letter over the letterhead
- 6.7 *Declaration sheets (As per Prescribed format) over the letter head*
- 6.8 *No Deviation certificates (As per Prescribed format) over the letterhead*
- 6.9 GST Registration certificate

All the data required to be enclosed with the tender need to be furnished neatly typed, signed & stamped in the given formats only (in the form of separate sheets) failing which the tender may be considered as incomplete and is liable for rejection. Documentary proof wherever necessary also need to be enclosed.

#### **A.7.0 VALIDITY OF OFFER**

The rates in the Tender shall be kept valid for acceptance for a minimum period of **Four Months** from latest due date of offer submission (including extension(s), if any). In case BHEL (Bharat Heavy Electricals Limited) calls for negotiations, such negotiations shall not amount to cancellation or withdrawal of the original offer which shall be binding on the tenderer.

#### **A.8.0 REJECTION OF TENDER & OTHER CONDITIONS:**

- 8.1 The decision of acceptance of tender will rest with BHEL which does not bind itself to accept the lowest tender or any tender and reserves to itself full rights for the following without assigning any reasons whatsoever:
- (a) To reject any or all of the tenders.
  - (b) To split up the work amongst two or more Tenderer as per NIT
  - (c) To award the work in part as per NIT
  - (d) In either of the contingencies stated in (b) and (c) above to modify the time for completion suitably.
- 8.2 Conditional tenders, unsolicited tenders, containing abnormally low/ unworkable rates & amounts, tenders which are incomplete or not in the form specified or defective or have been materially altered or not in accordance with the tender conditions, specifications etc. are liable to be rejected.
- 8.3. Tenders are liable to be rejected in case of unsatisfactory performance of the tenderer with BHEL, or tenderer under suspension (hold / banning / delisted) by any unit / region / division of BHEL or tenderers who do not comply with the latest guidelines of Ministry / Commissions of Govt. of India. BHEL reserves the right to reject a bidder in case it is observed that they are overloaded and may not be in a position to execute this job as per the required schedule in line with 'NIT'. The decision of BHEL will be final in this regard.

- 8.4 In case of any adverse information is received concerning performance, capability or conduct of the tenderer after issue of tender enquiry or opening of tender or award of work, BHEL reserves the right to reject the offer at any stage as deemed fit.
- 8.5 Offers with inadequate Tools & Plants, Manpower Deployment Plan, and Method Statement are liable for rejection.
- 8.6 If a tenderer who is a proprietor expires after the submission of his tender or after the acceptance of his tender, BHEL may at its discretion, cancel such tender. If a partner of a firm expires after the submission of the tender or after the acceptance of the tender, BHEL may cancel such tender at its discretion unless the firm retains its character.
- 8.7 BHEL will not be bound by any Power of Attorney granted by the tenderer or by changes in the composition of the firm made subsequent to the execution of the contract. BHEL may, however, recognise such Power of Attorney and changes after obtaining proper legal advice, the cost of which will be chargeable to the contractor concerned.
- 8.8 If the tenderer deliberately gives wrong information in his tender, BHEL reserves the right to reject such tender at any stage or to cancel the contract, if awarded, and forfeit the Earnest Money/Security Deposit/any other moneys due.
- 8.9 Canvassing in any form in connection with the tender is strictly prohibited and the tenders submitted by the tenderer who resorts to canvassing are liable to be rejected.
- 8.10 In case the Proprietor, Partner or Director of the Company / Firm submitting the Tender, has any relative or relation employed in BHEL, the authority inviting tender shall be informed to the fact as per specified format along with the offer, failing this, BHEL may, at its sole discretion reject the tender or cancel the contract and forfeit the Earnest Money/ Security Deposit.
- 8.11 The successful tenderer should not sub-contract the part or complete work detailed in the tender specifications without written permission of BHEL's Site In charge/ Sector Head. For this the contractor shall submit request application to site in charge supported by credentials (financial and technical) and resource mobilisation schedule of such sub-contractor. Such request are to be considered in consultation with end user/ultimate customer (if applicable) and subject to satisfactory credentials, fund flow arrangement between them, HSE and other contractual and statutory obligations. The tenderer is solely responsible to BHEL for the work awarded to him.
- 8.12 The Tender submitted by a tenderer shall become the property of BHEL who shall be under no obligation to return the same to the bidder. However unopened price bids and late tenders shall be returned to the bidders.
- 8.13 unsolicited discount received after the due date and time of Bid Submission shall not be considered for evaluation. However, if the party who has submitted the unsolicited discount/rebate becomes the L-I party, then the awarded price i.e contract value shall be worked out after considering the discount so offered.
- 8.14 BHEL shall not be liable for any expenses incurred by the bidder in the preparation of the tender irrespective of whether the tender is accepted or not.
- A.9.0 NO DEVIATIONS ARE ACCEPTABLE: -

Offers with deviations are likely to be rejected. However, if the bidder insists on any technical or commercial deviations from the specifications and / or tender conditions, **the price implication, if any, of withdrawing the deviations must be submitted along with the price bid in a separate sealed envelope super-scribed “PRICE IMPLICATION FOR WITHDRAWAL OF DEVIATIONS”**. No price implication for withdrawal of deviation shall be accepted at a later date, after opening of technical bid.

A.10.0 Consortium/ JV bidding is not allowed under this NIT.

**B. EARNEST MONEY DEPOSIT**

Every tender must be accompanied by the prescribed amount of Earnest Money Deposit (EMD) mentioned in NIT.

**1. Mode of EMD deposit:**

Every tender must be accompanied by the prescribed amount of Earnest Money Deposit (EMD) mentioned in NIT.

**1. Mode of EMD deposit:**

EMD can be submitted in any one of the following modes:

- i) Cash deposit as permissible under the extant Income Tax Act (before tender opening),
- ii) Electronic Fund Transfer credited in BHEL account (before tender opening). Details of BHEL account mentioned in tender document.
- iii) Banker's cheque/Pay order/Demand Draft, in favour of 'BHEL' and payable at New Delhi (Along with offer)
- iv) Fixed Deposit Receipt (FDR) issued by schedule Banks/Public Finance Institutions as defined in the companies ACT (FDR should be in the name of the contractor, a/c BHEL
- v) In case total EMD amount is more than Rs. 2 Lakh, the amount in excess of Rs. 2 lakh may be accepted in the form of Bank Guarantee from scheduled bank. The Bank Guarantee in such cases shall be valid for at least six months.

No other form of EMD remittance shall be acceptable to BHEL.

**2. Forfeiture of EMD**

EMD by the bidder will be forfeited as per NIT conditions, if

- i) After opening the tender and within the offer validity period, the bidder revokes his tender or makes any modification in his tender which is not acceptable to BHEL.
  - ii) The contractor fails to deposit the required Security deposit or commence the work within the period as per LOI/contract.
3. EMD by the tenderer shall be withheld in case any action on the tenderer is envisaged under the provision of extant “Guidelines on Suspension of business dealing with supplier/contractors” and forfeited/ released based on the action as determined under these guidelines.

4. In the case of unsuccessful bidders, the Earnest Money will be refunded to them within a reasonable time after award of work.
5. EMD shall not carry any interest.
6. EMD of successful bidder shall be retained as part of Security Deposit.
7. Bidders may please note that "One Time EMD" provision stands deleted. Hence, bidders who have deposited Rs. 2 Lakh as 'One Time EMD' with BHEL are also required to submit the requisite amount of EMD.
8. **No MSE benefits shall be given to MSEs bidder for WORKS CONTRACT. Please refer clause no. P (facilities provided to MSEs) for detail.**

### **C. SECURITY DEPOSIT**

Security Deposit means the security provided by the Contractor towards fulfilment of any obligations in terms of the provision of the contract.

1. Upon acceptance of Tender, the successful Tenderer should deposit the required amount of Security Deposit for satisfactory completion of work. **The total amount of Security Deposit will be 5 % of the Contract Value. EMD of the successful tenderer shall be converted and adjusted towards the required amount of Security Deposit.**

2. Mode of Security deposit:

The security Deposit should be furnished **before start of the work** by the contractor.

"Bidders agrees to submit performance security required for execution of the contract within the time period mentioned. In case of delay in submission of Performance security, enhanced performance security which would include interest (SBI rate + 6%) for the delayed period, shall be submitted by the bidder. Further, if performance security is not submitted till such time the first bill becomes due, the amount of performance security due shall be recovered as per terms defined in NIT / Contract, from the bills along with due interest".

The balance amount to make up the required Security Deposit of 5% of the contract Value may be furnished in any of the following forms:

- i) Cash (as permissible under the extant Income Tax Act)
- ii) Local cheques of scheduled banks (subject to realization) / Pay Order / Demand Draft / Electronic Fund Transfer, in favour of BHEL.
- iii) Bank Guarantee from Scheduled Banks / Public Financial Institutions as defined in the Companies Act. The Bank Guarantee format for Security Deposit shall be in the prescribed formats enclosed with general conditions of contract.
- iv) Fixed Deposit Receipt issued by Scheduled Banks / Public Financial Institutions as defined in the Companies Act. The FDR should be in the name of the contractor, A/C BHEL and duly discharged on the back.
- v) Securities available from Indian 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 endorsed/hypothecated/pledged, as applicable, in favour of BHEL and duly discharged on the back).

**(NOTE: 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. **Submission of Security Deposit:**

- i) At least 50 % of the required Security Deposit, including the EMD, shall be submitted before start of work. Balance of the Security Deposit can be submitted by way of deduction of 10% of the gross amount progressively from each running bills of the contractor till the total amount of the required Security Deposit is collected.

- ii) If the value of work done at any time exceeds the contract value, the amount of Security Deposit shall be correspondingly enhanced and the additional Security Deposit shall be immediately deposited by the Contractor or it shall be recovered from payment/s due to the Contractor.
  - iii) The recoveries made from running bills (cash deduction towards balance SD amount) can be released against submission of equivalent Bank Guarantee in acceptable form, but only once, before completion of work, at the discretion of BHEL.
4. The BG shall be submitted only through the Banker. Along with the BG, the Bank shall also furnish a letter of confirmation (in the prescribed formats enclosed with general conditions of contract).
  5. The validity of the Bank Guarantee furnished towards Security Deposit 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.
  6. 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 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.
  7. **Conditions for acceptance of bank guarantees**

Contractors are advised to obtain Bank Guarantee preferably from any of the following BHEL consortium banks

Sl. No.	Nationalised Bank		Nationalised Bank
1	Allahabad bank	19	Vijaya Bank
2	Andhra bank		<b>Public Sector Banks</b>
3	Bank of Baroda	20	IDBI
4	Canara Bank		<b>Foreign bank</b>
5	Corporation bank	21	CITI Bank N.A
6	Central bank of India	22	Deutsche Bank AG
7	Indian Bank	23	The Hongkong and Shanghai Banking Corporation Limited
8	Indian Overseas Bank	24	Standard Chartered Bank
9	Oriental bank of Commerce	25	J P Morgan
10	Punjab National Bank		
11	Punjab & Sindh Bank		<b>Private bank</b>
12	State Bank of India	26	Axis Bank
13	State Bank of Hyderabad	27	The Federal Bank Limited
14	Syndicate Bank	28	HDFC
15	State Bank of Travancore	29	Kotak Mahindra Bank
16	UCO Bank	30	ICICI
17	Union Bank of India	31	Indusind Bank
18 a	United Bank of India	32	Yes Bank

Bank Guarantees from Banks outside BHEL's consortium shall be as below:



The Bank Guarantees of all Public sector banks can be accepted (in addition to consortium banks)

**The Bank Guarantees of Co-operative banks shall not be accepted.**

Bank Guarantees of other than consortium bank and public sector bank can be accepted subject to an overall exposure limit (at New Delhi) of Rs. 10 crores for banks with networth of more than Rs. 500 crores as on last balance sheet date and Rs 5 crores for banks with net worth between Rs. 350 to Rs 500 crores (A certificate and copy of latest Balance Sheet to be given by the Bank at the time of submission of Bank Guarantees).

In case of private sector banks a clause to be incorporated in the text of Bank Guarantee that it can be enforceable by being presented at any branch of the bank.

In case of foreign vendors the bank guarantees issued by foreign banks may be confirmed by our consortium bank in India.

**In case of Bank Guarantees given by Non-Consortium banks (Private sector or Public sector), the Bank Guarantees are to be enforceable in New Delhi or the town/ city in which the sector office is located.**

#### 8. RETURN OF SECURITY DEPOSIT:

If the contractor duly performs and completes the work in all respects to the entire satisfaction of BHEL and presents an absolute "No demand certificate", returns properties belonging to BHEL, taken, borrowed or hired by him for carrying out the said works, and furnishes performance bond BG in the prescribed proforma, Security Deposit will be released to the contractor after deducting all costs, expenses and other amounts that are to be paid to BHEL under this contract or other contracts entered into with the contractor. It may be noted that in no case the Security Deposit shall be refunded/released prior to passing of final bill.

#### D. Bank Account Details for submission of EMD/ Security Deposit through electronic fund transfer mode.

NAME OF THE COMPANY	BHARAT HEAVY ELECTRICALS LTD
ADDRESS OF THE COMPANY	TRANSMISSION BUSINESS GROUP, 10TH FLOOR, JOY TOWER, PLOT NO. C-20, 1/1A, C BLOCK, PHASE 2, INDUSTRIAL AREA, SECTOR-62, NOIDA – 201301 (U.P.)
NAME OF BANK	STATE BANK OF INDIA
NAME OF BANK BRANCH	CAG-II NEW DELHI (17313)
CITY	NEW DELHI
ACCOUNT NUMBER	00000030206227732
ACCOUNT TYPE	CASH CREDIT
IFSC CODE	SBIN0017313

#### E. Overall 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.

**F. Clause no. C-25.0 “COMPENSATION/PENALTY FOR DELAY IN COMPLETION” stands deleted. Now this clause shall be read as below: -**

In case the contractor fails to complete the project within the time specified in the tender specification or any extension thereof subject to force majeure condition, the contractor shall be liable to pay by way of LD/Penalty a sum equal to the half percent of the contract price, per calendar week or part thereof by which the commissioning of the project is delayed, subject to ceiling of 10 % of the contract price along with applicable GST (if any) on LD. Once the maximum limit of delay is reached (i.e. 20 week of delay) BHEL may consider termination of the contract and forfeit the Security deposit without prejudice to the other remedies under the contract.

If the contract is for more than one sub-station and the substations are completed and taken over by customer in stages, then the delays if any by the contractor for the substation completed and handed over may be accounted for the individual substation and LD leviable shall be computed based on the contract value of individual substation.

Amended/ revised contract value (excluding ORC, Extra Works, Supplementary/Additional Items and PVC) shall be considered for calculating LD/ penalty.

**G. Clause No. C.29.7 “INCOME TAX/SALES TAX/WORKS TAX/VAT” stands deleted. Now this clause shall be read as below.**

1. All taxes (except GST), duties , charges , royalties, cess and any other levies by Central/ State/local authorities for the 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 be borne by the contractor. Quoted price of the same shall be inclusive of all such requirements.
2. Contractors have to make their own arrangement at their cost for completing the formalities, if required with relevant taxation authorities, for bringing their material, plant and machinery at site for the execution of the contract. Road permits / way bill, if required shall be arranged by the contractor.
3. The Contractor is responsible to furnish documentary evidence towards GST Registration of the State wherein the site is located or any other documents as per GST Act which may be required from time to time. BHEL will not be held to be responsible for any non-compliance of the Contractor in respect of GST laws as framed from time to time.
4. Goods and Service Tax (GST) will be reimbursed to the Contractor subject to the following conditions: -
  - (i) Submission of valid GST Compliant Tax Invoice as per the GST Invoice Rules.
  - (ii) The Invoice raised by the Contractor should indicate the BHEL GST Registration Number.

5. The GST amount shall get reflected within prescribed time limit in the GSTN for BHEL to avail the input credit. If the GST Credit is reversed/ denied/ delayed to BHEL due to non-receipt/delayed receipt of Services and/or tax invoice or due to expiry of timeline prescribed in GST law or due to any other factor for availing such Input Tax Credit (ITC) or for any other reason arising out of the act directly attributable to the Contractor, GST amount shall be recoverable from Contractor from any dues payable to the Contractor along with any interest levied/ leviable on BHEL.
6. Statutory variation, if any, on account of GST will be payable by BHEL at actuals on submission of documentary evidence.
7. TDS under Income Tax Act/ GST Act shall be deducted as per applicable rates unless Exemption certificate, if applicable, from the appropriate Authority is furnished to BHEL along with the Invoice.
8. **New Taxes & duties (Introduced after tender opening date):**  
If any new tax or duty is levied by the Central/State Government/Municipality/Local Authority and becomes directly applicable on items specified in the Bill of Quantities, full reimbursement shall be made subject to submission of documentation as per statute.
- H. **Clause C-27.0 of "Over run charges"** under special conditions of contract is now deleted. No overrun charges are payable under the contract.
- I. **Clause C-35.0 "secured advance"** under special conditions of contract is now deleted. No advance on materials shall be payable under the contract.
- J. **Clause C-26.0 "Price Variation"** under special conditions of contract is now deleted and now this Clause should be read as below.

Prices will be firm for total contract period and extended period, if any, and no price escalation/ price variation will be applicable.

**K. REINFORCEMENT STEEL (APPLICABLE ONLY FOR BHEL FREE ISSUED STEEL):**

- (i) The reinforcement steel for the works shall be supplied by BHEL as per BOQ. Hence under items of reinforcement steel in BOQ, the bidders are required to quote labour rates only. **(Applicable only for the items where BHEL supply is mentioned in the BOQ).**
- (ii) The reinforcement steel shall be made available to the contractor within project area. The contractor shall collect these material from BHEL Store/ Storage yard. Loading and transportation from supplier stockyard to site is not in scope of the contractor. However, unloading, storage, watch & ward till handing over of complete work and lodging of insurance claim (if required) is included in the scope of bidder and deemed to be included in the quoted rates.
- (iii) If due to Contractor's carelessness, negligence, non-observance of safety precautions, improper security arrangements or due to non-compliance of paper work needed for lodging insurance claim, 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.

- (iv) The steel issued to the contractor shall be mainly in standard length and section as received from the steel supplier. However the contractors shall be bound to accept the steel in length as available. No claims for extra payment because of issue of non standard length will be entertained during execution.

(v) **RETURN OF STEEL**

All surplus steel and all wastage materials shall be taken back on weighment basis. Surplus, unused and untampered steel shall be stored diameter / section wise and returned separately at a place directed by BHEL / engineer incharge 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, unusable) shall be returned diameter/ section wise to the stores and a receipt obtained for material accounting purposes.

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).
- II) Surplus = Un-tampered and unused quantity of steel returned by the contractor to BHEL supported by relevant documents
- III) 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 weighment basis.

Sl.	Reinforcement steel	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

**L. RESPONSIBILITY OF CONTRACTOR IN RESPECT OF STATUTORY RULES / REGULATIONS PERTAINING TO BOWC.**

It shall be mandatory for the contractor to comply with Building and Other Construction Worker (Regulation of Employment and Conditions of Service) Act, 1996 and Rules of 1998 read with Building and other Construction Workers welfare Cess act, 1996 and Cess Rules.

It shall be the sole responsibility of the contractor to apply for a license to the Competent Authority under the Building and Other Construction Worker (Regulation of Employment and Conditions of Service) Act, 1996 and Rules of 1998 read with Building and other Construction Workers welfare Cess act, 1996 and Cess Rules and obtain proper certificate thereof by specifying the scope of its work. It shall also be responsibility of the contractor to furnish a copy of such certificate of license / permission to BHEL within 2 months from date of start of work at site or along with 1st RA bill whichever is earlier.

It shall be the responsibility of the sub-contractor to furnish the receipts / challans towards deposit of the cess together with the number, name and other details of beneficiaries (building or construction workers) engaged by the sub-contractor during the preceding month.

The onus shall lie on the contractor to register with the authorities and provide the details of the amount remitted to the authorities. In case the contractor fails to comply with the BOCW act, no payments shall be released to the contractor.

In case the customer owns the responsibility of compliance of BOCW act and deducts the amount from BHEL, the same shall be deducted from the RA bills of the contractor.

In the event of any penalty or other implication due to non-compliance of statutory obligation the same shall be on contractor's account.

**M. Clause No. C.24.0 (Delay and Extension of Time) of Conditions of Contract for Civil Works has been modified as below**

If, in the opinion of the Engineer, the work is delayed

- (i) by reason of abnormally bad weather, or
- (ii) by reason of serious loss or damage by fire, or
- (iii) by reason of civil commotion, local combination of workmen, strike or lockout, affecting any of the trades employed on the work, or
- (iv) by delay on the part of the agency or tradesman engaged by the BHEL in executing work not forming part of the contract, or
- (v) By reason of any other cause which in the absolute discretion of the Engineer is beyond the contractor's control, then in any such case, the Engineer (or higher authority) may make fair and reasonable extension in the completion dates of the individual items of work of the contract as whole. Such extension which will be communicated to the contractor by the Engineer in writing shall be final and binding on the contractor. No other claim in this respect for compensation, idle labour or otherwise howsoever is admissible. Upon the happening of any such event causing delay the contractor shall immediately give notice thereof in writing to the Engineer but shall nevertheless use constantly his best endeavour to prevent or make good the delay and shall do all that may reasonably be required to the satisfaction of the Engineer to proceed with the work.

- (vi) In case of delay in completion of work BHEL reserve the right to grant time extension under the following options depending upon the performance of the vendor:
- a. Time extension without levy of LD in case it is found that delay is not attributable to the vendor
  - b. Time extension with deduction of applicable LD in line with Liquidity Damage clause if the delay is solely attributable to the vendor.
  - c. In case facts of delay is not settled, BHEL reserve the right to grant provisional time extension for delay in completion of total work or part thereof and running/ interim payments to the vendor will be released without deduction of LD subject to submission of additional Bank guarantee equivalent to maximum LD amount valid till completion of work under their scope and grant of final time extension.

During provisional time extension period ORC/ PVC shall not be payable to the contractor. The Final Delay analysis shall be prepared on completion of the work. In case of delay is not attributable to contractor as per final delay analysis the ORC/ PVC shall be released along with the final bill without any interest charges attributable to BHEL.

In case of delay attributable to contractor, LD shall be deducted for that period in line with clause "Compensation/ LD/ Penalty for delay in execution" of conditions of contract and balance ORC/ PVC (if any) shall be released along with the final bill without any interest charges attributable to BHEL.

PVC/ ORC shall be governed by respective clauses in the NIT.

**N. Model Conciliation Clause For Conducting Conciliation Proceedings Under The BHEL Conciliation Scheme, 2018**

The Parties the if at any time (whether before, during or after the arbitral or judicial proceedings), any Disputes (which terms shall means and include any dispute, difference, question or disagreement arising in connection with construction, meaning, operation, effect, interpretation or breach of the agreement, contract or the Memorandum of Understanding (delete whichever is inapplicable), which the parties unable to settle mutually), arise inter-se the Parties, the same may, be refereed by either party to conciliation to be conducted through Independent Experts Committee to be appointed by competent authority of BHEL from the BHEL Panel of Conciliators.

Notes:

1. No serving or a retired employee of BHEL/Administrative Ministry of BHEL shall be included in the BHEL Panel of Conciliators.
2. Any other person(s) can be appointed as Conciliator(s) who is/are mutually agreeable to both the parties from outside the BHEL Panel of Conciliators.

The proceedings of Conciliation shall broadly be governed by Part-III of the Arbitration and Conciliation Act 1996 or any statutory modification thereof and as provided in Annexure-A to this GCC.

The Annexure-A together with it's appendices will be treated as if the same is part and parcel hereof and shall be as effectual as if set out herein in these GCC."

**O. RIGHTS OF BHEL: - The Clause No. B.7.0 “RIGHTS of BHEL” of Conditions of contract for Civil works stands deleted. Now the modified clause shall be read as below: -**

BHEL reserves the following rights in respect of this contract during the original contract period or its extensions if any, as per the provisions of the contract, without entitling the contractor for any compensation

- N.7.1 To withdraw any portion of work (after due opportunity given to contractor to meet schedule) &/or to restrict/alter quantum of work as indicated in the contract during the progress of construction and get it done through other agency to suit BHEL's commitment to its customer or in case BHEL decides to advance the date of completion period due to other emergent reasons/BHEL's obligations to its customer.
- N.7.2 To restrict or increase the quantity and nature of work to suit site requirements, since the tender specification is based on preliminary documents and quantities furnished therein are indicative and approximate. Quantity/ contract variation clause may also be read in conjunction with this clause.
- N.7.3 To terminate the contract or to restrict the quantum of work and pay for the portion of work executed in case BHEL's contracts with its customer are terminated/ altered/ deferred/ disputed/on hold for any reason as per mutual agreement.
- N.7.4 To effect recovery from any amounts due to the contractor under this or any other contract or in any other form, the moneys BHEL is statutorily forced to pay to anybody, due to contractor's failure to fulfill any of his obligations. BHEL shall levy overheads of 5% on all such payments.
- N.7.5 While every endeavour will be made by BHEL to this end, they cannot guarantee uninterrupted work due to conditions beyond their control. The Contractor will not be normally entitled for any compensation/extra payment on this account unless otherwise specified elsewhere in the contract. No idle labour charges will be payable by BHEL in any case.
- N.7.6 To deploy BHEL's skilled and unskilled workmen in case of emergency/poor progress/deficiency in skill on the part of the employees of the contractor and to recover the expenditure on account of the same from the moneys due to the contractor.
- N.7.7 In event of termination of contract/ withdrawal/ the contractor shall have no claim to compensate for any loss sustained by him by reason of having purchase of any material or entered into agreement or made any advance on account of execution of work/ contract on account of any profit or advantage which he might have derived from the execution of the works in full but which he did not derive in consequence of the termination/ withdrawal of works.
- N.7.8 In the event of any dispute of technical nature, the decision of BHEL shall be final and binding on the Contractor.

**N.7.9 Risk & Cost Clause**

**In case of fault of the contractor, BHEL reserves the following rights without entitling the contractor for any compensation:**

- N.7.9.1 To terminate the contract or withdraw portion of work and get it done through other agency, at the risk and cost of the contractor after due notice **of a period of 14 days' by BHEL** in any of the following cases:
  - i) Contractor's poor progress of the work vis-à-vis execution timeline as stipulated in the Contract, backlog attributable to contractor including unexecuted portion of work does not appear to be executable within balance available period considering its performance of execution.

- ii) Withdrawal from or abandonment of the work by contractor before completion of the work as per contract.
- iii) Non-completion of work by the Contractor within scheduled completion period as per Contract or as extended from time to time, for the reasons attributable to the contractor.
- iv) Termination of Contract on account of any other reason (s) attributable to Contractor.
- v) Assignment, transfer, subletting of Contract without BHEL's written permission.
- vi) Non-compliance to any contractual condition or any other default attributable to Contractor.

**N.7.9.2 Risk & Cost Amount against Balance Work:**

Risk & Cost amount against balance work shall be calculated as follows:

$$\text{Risk \& Cost Amount} = [(A-B) + (A \times H/100)]$$

Where,

A= Value of Balance scope of Work (\*) as per rates of new contract

B= Value of Balance scope of Work (\*) as per rates of old contract being paid to the contractor at the time of termination of contract i.e. inclusive of PVC & ORC, if any.

H = Overhead Factor to be taken as 5

In case (A-B) is less than 0 (zero), value of (A-B) shall be taken as 0 (zero).

\* Balance scope of work (in case of termination of contract):

Difference of Contract Quantities and Executed Quantities as on the date of issue of Letter for 'Termination of Contract', shall be taken as balance scope of Work for calculating risk & cost amount.

Contract quantities are the quantities as per original contract. If, Contract has been amended, quantities as per amended Contract shall be considered as Contract Quantities.

Items for which total quantities to be executed have exceeded the Contract Quantities based on drawings issued to contractor from time to time till issue of Termination letter, then for these items total Quantities as per issued drawings would be deemed to be contract quantities.

Substitute/ extra items whose rates have already been approved would form part of contract quantities for this purpose. Substitute/ extra items which have been executed but rates have not been approved, would also form part of contract quantities for this purpose and rates of such items shall be determined in line with contractual provisions.

However, increase in quantities on account of additional scope in new tender shall not be considered for this purpose.



NOTE: In case portion of work is being withdrawn at risk & cost of contractor instead of termination of contract, contract quantities pertaining to portion of work withdrawn shall be considered as 'Balance scope of work' for calculating Risk & Cost amount.

**N.7.9.3 LD against delay in executed work in case of Termination of Contract:**

LD against delay in executed work shall be calculated in line with LD clause of the contract, for the delay attributable to contractor. For limiting the maximum value of LD, contract value shall be taken as Executed Value of work till termination of contract.

Method for calculation of "LD against delay in executed work in case of termination of contract" is given below.

- i) Let the time period from scheduled date of start of work till termination of contract excluding the period of Hold (if any) not attributable to contractor = T1
- ii) Let the value of executed work till the time of termination of contract = X
- iii) Let the Total Executable Value of work for which inputs/fronts were made available to contractor and were planned for execution till termination of contract = Y
- iv) Delay in executed work attributable to contractor i.e.  $T2 = [1 - (X/Y)] \times T1$
- v) LD shall be calculated in line with LD clause of the Contract for the delay attributable to contractor taking "X" as Contract Value and "T2" as period of delay attributable to contractor.

**N.7.9.4 Recoveries arising out of Risk & Cost and LD or any other recoveries due from Contractor**

Following sequence shall be applicable for recoveries from contractor after informing the contractor of the total proposed recovery:

- a) Dues available in the form of Bills payable to contractor, SD, BGs against the same contract.
- b) Demand notice for deposit of balance recovery amount to be sent to contractor, if funds are insufficient to effect complete recovery against dues indicated in (a) above.
- c) If contractor fails to deposit the balance risk & cost amount within the period as prescribed in demand notice, following action shall be taken for balance recovery:
  - i) Dues payable to contractor against other contracts in the same Region/unit shall be considered for recovery.
  - ii) If recovery cannot be made out of dues payable to the contractor as above, balance amount to be recovered, shall be informed to other Regions/Units for making recovery from the Unpaid Bills/Running Bills/SD/BGs/Final Bills of contractor.
  - iii) In-case recoveries are not possible with any of the above available options, Legal action shall be initiated for recovery against contractor.

**P. PERFORMANCE MONITORING:**

The Contractors performance shall be continuously monitored during execution of work at site.

In case of contractor's performance is found not satisfactory during the execution of work at site, BHEL may take alternate remedial measures and may not consider the contractor for further tenders, if the contractor performance is not improved in spite of opportunities given by BHEL.

**Q. The Clause No. B.15.0 "Arbitration" of Conditions of contract for Civil works stands deleted. Now the modified clause shall be read as below:**

- (i) Except as provide elsewhere in this Contract, in case amicable settlement is not reached between the Parties, in respect of any dispute or difference; arising out of the formation, breach, termination, validity or execution of the contract; or, the respective rights and liabilities of the Parties; or, in relation to interpretation of any provision of the contract; or, in relation to interpretation of any provision of the Contract; or, in any manner touching upon the contract, then, either Party may, by a notice in writing to the other Party refer such dispute or difference to the sole arbitration of an arbitrator appointed by Head of the BHEL Unit/Region/Division issuing the Contract.

The Arbitrator shall pass a reasoned award and the award of the Arbitrator shall be final and binding upon the Parties.

Subject as aforesaid, the provisions of Arbitration and Conciliation Act 1996 (India) or statutory modifications or re-enactments thereof and the rules made thereunder and for the time being in force shall apply to the arbitration proceedings under this clause. The seat of arbitration shall be New Delhi.

The cost of arbitration shall be borne as per the award of the Arbitrator.

Subject to the arbitration in terms of clause L above, the court at New Delhi shall have exclusive jurisdiction over nay matter arising out of or in connection with this Contract.

Notwithstanding the existence or any dispute or differences and/or reference for the arbitration, the Contractor shall proceed with and continue without hindrance the performance of its obligations under this contract with due diligence and expedition in a professional manner except where the contract has been terminated by either Party in terms of this contract.

- (ii) In the event of dispute or difference relating to the interpretation and application of the provisions of commercial contract(s) between Central Public Sector Enterprises (CPSEs)/ Port Trusts inter se and also between CPSEs and Government Departments/Organizations (excluding disputes concerning Railways, Income Tax, Customs & Excise Departments), such dispute or difference shall be taken up by either party for resolution through AMRCD as mentioned in DPE OM No.4(1)/2013-DPE9GM)/FTS-1835 dated 22.05.2018.

**R. FACILITIES PROVIDED TO MSEs**

Vide office memorandum F.No.21(8)/2011-MA dated 09.11.2016, Office of AS&DC, Ministry of MSME has issued clarification regarding definition of Goods and Services under the Public Procurement Policy of MSEs order-2012, In accordance with the Public Procurement Policy for MSEs order-2012 and OM regarding definition of Goods and Services issued by Ministry of MSME, it is clarified that benefits as envisaged in Public Procurement Policy for MSEs Order 2012 are to be provided in respect of the procurements related to the Goods and Services produced and provided by Micro and Small Enterprises (MSEs) only and **no benefits is to be given in Case of Works Contracts.**

#### **S. BOCW (TAXES, DUTIES & LEVIES):**

S.1	<b>BUILDING &amp; OTHER CONSTRUCTION WORKERS (REGULATION OF EMPLOYMENT AND CONDITIONS OF SERVICE) ACT, 1996 (BOCW Act) AND RULES OF 1998 READ WITH BUILDING &amp; CONSTRUCTION WORKERS CESS Act, 1996 &amp; CESS RULES, 1998.</b>
	In case any portion of work involves execution through building or construction workers, then compliance to the above titled Acts shall be ensured by the contractor and contractor shall obtain license and deposit the cess under the Act. In the circumstances it may be ensured as under:-
8.5.1	It shall be the sole responsibility of the contractor in the capacity of employer to forthwith (within a period of 15 days from the award of work) apply for a licence to the Competent Authority under the BOCW Act and obtain proper certificate thereof by specifying the scope of its work. It shall also be responsibility of the contractor to furnish a copy of such certificate of licence / permission to BHEL within a period of one month from the date of award of contract.
8.5.2	It shall be the sole responsibility of the contractor as employer to ensure compliance of all the statutory obligations under these act and rules including that of payment / deposit of 1% cess on gross payment made for value of work involving building or construction workers engaged by the contractor within a period of one month from the receipt of payment.
8.5.3	It shall be the responsibility of the sub-contractor to furnish the receipts / challans towards deposit of the cess together with the number, name and other details of beneficiaries (building workers) engaged by the sub-contractor during the preceding month.
8.5.4	It shall be the absolute responsibility of the sub-contractor to make payment of all statutory payments & compensations to its workers including that is provided under the Workmen's Compensation Act, 1923.
8.5.5	The contractor shall, however ensure before deposit of any BOCW cess, that customer is not depositing the same in order to avoid excess deposit of cess.
8.5.6	The contractor shall bear cost of BOCW cess either by way of deposit or through recovery by BHEL in case the same is deposited by the customer.
8.5.7	In case of failure in above mentioned compliances, BOCW Cess @ 1% as well as applicable penalty as specified in BOCW Act/Rules shall be deducted from the contractor.

#### **T. Royalty:**

The contractor shall pay the Royalty on sand, aggregate, earth material used for the project and the contractor has to submit the Royalty certificate to BHEL along with the RA bills.

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

**PROFORMA OF BANK GUARANTEE ( in lieu of SECURITY DEPOSIT)**

In consideration of Bharat Heavy Electricals Limited (hereinafter referred to as the 'Employer' which expression shall unless repugnant to the context or meaning thereof, include its successors and permitted assigns) incorporated under the Companies Act, 1956 and having its registered office at BHEL House, Siri Fort, New Delhi-110049 through its Unit at BHEL, Transmission Business Group, Noida (name of the Unit) having agreed to exempt \_\_\_\_\_ (Name of the Vendor / Contractor / Supplier) with its registered office at \_\_\_\_\_<sup>1</sup> (hereinafter called the said "Contractor" which term includes supplier), from demand under the terms and conditions of the Contract reference No. \_\_\_\_\_ dated \_\_\_\_\_<sup>2</sup> valued at Rs. ....<sup>3</sup> ( Rupees ..... ) (hereinafter called the said Contract), of Security Deposit for the due fulfilment by the said Contractor of the terms and conditions contained in the said Contract, on production of a Bank Guarantee for Rs. ....<sup>4</sup> (Rupees.....only),

We \_\_\_\_\_ (indicate the name and address of the Bank) having its Head Office at \_\_\_\_\_ (address of the head Office) (hereinafter referred to as the Bank), at the request of \_\_\_\_\_ [Contractor(s)], being the Guarantor under this Guarantee, do hereby irrevocably and unconditionally undertake to forthwith and immediately pay to the Employer, an amount not exceeding Rs. \_\_\_\_\_ without any demur, immediately on demand from the Employer and without any reservation, protest, and recourse and without the Employer needing to prove or demonstrate reasons for its such demand

Any such demand made on the bank, shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs. \_\_\_\_\_.

We undertake to pay to the Employer any money so demanded notwithstanding any dispute or disputes raised by the Contractor(s) in any suit or proceeding pending before any Court or Tribunal or Arbitrator or any other authority, our liability under this present being absolute and unequivocal.

The payment so made by us under this guarantee shall be a valid discharge of our liability for payment hereunder and the Contractor(s) shall have no claim against us for making such payment.

We, further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Contract and that it shall continue to be enforceable till all the dues of the Employer under or by virtue of the said Contract have been fully paid and its claims satisfied & the Employer certifies that the terms and conditions of the said Contract have been fully and properly carried out by the said contractor(s) or acceptance of the final bill or discharge of this guarantee by the Employer, whichever is earlier. This guarantee shall initially remain in force up to and including \_\_\_\_\_<sup>5</sup> and shall be extended from time to time for such period as may be desired by the Employer. Unless a demand or claim under this guarantee is made on us in writing on or before the \_\_\_\_\_<sup>6</sup>, (3 months more than the present date of validity of Bank Guarantee) we shall be discharged from all the liability under this guarantee thereafter.

We, \_\_\_\_\_ (indicate the name of the Bank) further agree with the Employer that the Employer shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Contract or to extend time of performance by the said contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the Employer against the said contractor(s) and to forbear or enforce any of the terms and conditions relating to the said

Contract and we shall not be relieved from our liability by any reason of any such variation or extension being granted to the said contractor(s) or for any forbearance, act or omission on the part of the Employer or any indulgence by the Employer to the said contractor(s) or by any such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us.

The Bank also agrees that the Employer at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance without proceeding against the Contractor and notwithstanding any security or other guarantee that the Employer may have in relation to the Contractor's liabilities.

This Guarantee shall not be determined or affected by liquidation or winding up, dissolution or change of constitution or insolvency of the Contractor but shall in all respects and for all purposes be binding and operative until payment of all money payable to the Employer in terms thereof. This guarantee will not be discharged due to the change in the constitution of the Bank or the Contractor(s).

We,..... BANK lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Employer in writing.

Notwithstanding anything to the contrary contained hereinabove:

- a) The liability of the Bank under this Guarantee shall not exceed.....<sup>4</sup>
- b) This Guarantee shall be valid up to .....<sup>5</sup>
- c) Unless the Bank is served a written claim or demand on or before .....<sup>6</sup> all rights under this guarantee shall be forfeited and the Bank shall be relieved and discharged from all liabilities under this guarantee irrespective of whether or not the original bank guarantee is returned to the Bank.

We, \_\_\_\_\_ Bank, have power to issue this Guarantee under law and the undersigned as a duly authorized person has full powers to sign this Guarantee on behalf of the Bank.

Date \_\_\_\_\_ Day of \_\_\_\_\_  
for \_\_\_\_\_ (indicate the name of the Bank) \_\_\_\_\_

(Signature of Authorised signatory)

<sup>1</sup> ADDRESS OF THE VENDOR /CONTRACTOR / SUPPLIER .

<sup>2</sup> DETAILS ABOUT THE NOTICE OF AWARD/CONTRACT REFERENCE

<sup>3</sup> CONTRACT VALUE

<sup>4</sup> BG AMOUNT IN FIGURES AND WORDS

<sup>5</sup> VALIDITY DATE (At least 3 months more than completion period)

<sup>6</sup> DATE OF EXPIRY OF CLAIM PERIOD (At least 3 months more than the present date of validity of BG)

**Notes:**

- 1 The expiry of claim period shall be at least 3 months more than the validity date. It may be ensured that the same is in line with the agreement/ contract entered with the Vendor.
- 2 The BG should be on Non-Judicial Stamp paper/e-stamp paper of appropriate value as per Stamp Act prevailing in the State(s) where the BG is submitted or is to be acted upon or the rate

prevailing in the State where the BG was executed, whichever is higher. The Stamp Paper/e-stamp paper shall be purchased in the name of Vendor/Contractor/Supplier /Bank issuing the guarantee.

**3 In Case of Bank Guarantees submitted by Foreign Vendors:**

- a. From Nationalized/Public Sector / Private Sector/ Foreign Banks (BG issued by Branches in India)** can be accepted subject to the condition that the Bank Guarantee should be enforceable in the town/city or at nearest branch where the Unit is located i.e. Demand can be presented at the Branch located in the town/city or at nearest branch where the Unit is located.
- b. From Foreign Banks (wherein Foreign Vendors intend to provide BG from local branch of the Vendor country's Bank)**
  - b.1** In such cases, in the Tender Enquiry/ Contract itself, it may be clearly specified that Bank Guarantee issued by **any of the Consortium Banks only** will be accepted by BHEL. As such, Foreign Vendor needs to make necessary arrangements for issuance of Counter- Guarantee by Foreign Bank in favour of the Indian Bank's (BHEL's Consortium Bank) branch in India. It is advisable that all charges for issuance of Bank Guarantee/ counter- Guarantee should be borne by the Foreign Vendor. The tender stipulation should clearly specify these requirements.
  - b.2** In case, Foreign Vendors intend to provide BG from Overseas Branch of our Consortium Bank (e.g. if a BG is to be issued by SBI Frankfurt), the same is acceptable. However, the procedure at sl.no. b.1 will required to be followed.

**PROFORMA OF BANK GUARANTEE (in lieu of EARNEST MONEY if permissible in NIT)**

(On non-Judicial paper of appropriate value)

Bank Guarantee No.....

Date.....

To,

M/s Bharat Heavy Electricals Limited  
 Transmission Business Group (TBG)  
 5<sup>th</sup> Floor, Advant Navis IT Business Park  
 Plot No. 7, Sector-142, Expressway Noida,  
 UP-201305

Dear Sirs,

In accordance with the terms and conditions of Invitation for Bids/Notice Inviting Tender No.....<sup>1</sup>(Tender Conditions), M/s ..... having its registered office at .....<sup>2</sup> (hereinafter referred to as the 'Tenderer'), is submitting its bid for the work of .....<sup>3</sup> invited by M/s Bharat Heavy Electricals Limited through its Unit at BHEL, Transmission Business Group, Noida.

The Tender Conditions provide that the Tenderer shall pay a sum of Rs ..... as Earnest Money Deposit in the form therein mentioned. The form of payment of Earnest Money Deposit includes Bank Guarantee executed by a Scheduled Bank.

In lieu of the stipulations contained in the aforesaid Tender Conditions that an irrevocable and unconditional Bank Guarantee against Earnest Money Deposit for an amount of Rs.....<sup>4</sup> is required to be submitted by the Tenderer as a condition precedent for participation in the said Tender and the Tenderer having approached us for giving the said Guarantee,

We, the.....[Name & address of the Bank]

having our Registered Office at.....(hereinafter referred to as the Bank) being the Guarantor under this Guarantee, hereby irrevocably and unconditionally undertake to forthwith and immediately pay to the Employer without any demur, merely on your first demand any sum or sums of Rs. ....<sup>4</sup> (in words Rupees.....) without any reservation, protest, and recourse and without the beneficiary needing to prove or demonstrate reasons for its such demand.

Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs. ....

We undertake to pay to the Employer any money so demanded notwithstanding any dispute or disputes raised by the Vendor/Contractor/Supplier in any suit or proceeding pending before any Court or Tribunal, Arbitrator or any other authority, our liability under this present being absolute and unequivocal.

The payment so made by us under this Guarantee shall be a valid discharge of our liability for payment hereunder and the Tenderer shall have no claim against us for making such payment.

We ..... Bank further agree that the Employer shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Tender or to extend the time of submission of from time to time or to postpone for any



time or from time to time any of the powers exercisable by the Employer against the said Tenderer and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Tenderer or for any forbearance, act or omission on the part of the Employer or any indulgence by the Employer to the said Tenderer or by any such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us.

The Bank also agrees that the Employer at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance without proceeding against the Tenderer and notwithstanding any security or other guarantee that the Employer may have in relation to the Tenderer's liabilities.

This Guarantee shall be irrevocable and shall remain in force upto and including.....<sup>5</sup> and shall be extended from time to time for such period as may be desired by the Employer.

This Guarantee shall not be determined or affected by liquidation or winding up, dissolution or change of constitution or insolvency of the Tenderer but shall in all respects and for all purposes be binding and operative until payment of all money payable to the Employer in terms hereof. However, unless a demand or claim under this Guarantee is made on us in writing on or before the .....<sup>6</sup> we shall be discharged from all liabilities under this Guarantee.

We, ..... Bank lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Employer in writing.

Notwithstanding anything to the contrary contained hereinabove:

- a) The liability of the Bank under this Guarantee shall not exceed.....<sup>4</sup>
- b) This Guarantee shall be valid up to .....<sup>5</sup>
- c) Unless the Bank is served a written claim or demand on or before .....<sup>6</sup> all rights under this guarantee shall be forfeited and the Bank shall be relieved and discharged from all liabilities under this guarantee irrespective of whether or not the original bank guarantee is returned to the Bank.

We, \_\_\_\_\_ Bank, have power to issue this Guarantee under law and the undersigned as a duly authorized person has full powers to sign this Guarantee on behalf of the Bank.

For and on behalf of

(Name of the Bank)

Date.....

Place of Issue.....

- 1 Details of the Invitation to Bid/Notice Inviting Tender
- 2 Name and Address of the Tenderer
- 3 Details of the Work
- 4 BG Amount in words and Figures
- 5 Validity Date (At least six months from date of tender opening)
- 6 Date of Expiry of Claim Period (At least 3 months more than the present date of validity of BG)

**Note:**

- 1 The Bank Guarantee should be valid for at least six months from date of tender opening. The expiry of claim period shall be at least 3 months more than the validity date. It may be ensured that the same is in line with the agreement/ contract entered with the Vendor.
- 2 The BG should be on Non-Judicial Stamp paper/e-stamp paper of appropriate value as per Stamp Act prevailing in the State(s) where the BG is submitted or is to be acted upon or the rate prevailing in the State where the BG was executed, whichever is higher. The Stamp Paper/e-stamp paper shall be purchased in the name of Vendor/Contractor/Supplier /Bank issuing the guarantee.
- 3 **In Case of Bank Guarantees submitted by Foreign Vendors-.**
  - a. **From Nationalized / Public Sector / Private Sector/ Foreign Banks (BG issued by Branches in India)** can be accepted subject to the condition that the Bank Guarantee should be enforceable in the town/city or at nearest branch where the Unit is located i.e. Demand can be presented at the Branch located in the town/city or at nearest branch where the Unit is located.
  - b. **From Foreign Banks (wherein Foreign Vendors intend to provide BG from local branch of the Vendor country's Bank)**
    - b.1 In such cases, in the Tender Enquiry/ Contract itself, it may be clearly specified that Bank Guarantee issued by **any of the Consortium Banks only** will be accepted by BHEL. As such, Foreign Vendor needs to make necessary arrangements for issuance of Counter- Guarantee by Foreign Bank in favour of the Indian Bank's (BHEL's Consortium Bank) branch in India. It is advisable that all charges for issuance of Bank Guarantee/ counter- Guarantee should be borne by the Foreign Vendor. The tender stipulation should clearly specify these requirements.
    - b.2 **In case, Foreign Vendors intend to provide BG from Overseas Branch of our Consortium Bank** (e.g. if a BG is to be issued by SBI Frankfurt), the same is acceptable. However, the procedure **at sl.no. b.1** will required to be followed.
    - b.3 The BG issued may preferably be subject to Uniform Rules for Demand Guarantees (URDG) 758 (as amended from time to time). The BG Format provided to them should clearly specify the same.