
 ISG BANGALORE	PROJECT: 2X250 MW SIKKA TPS EXPANSION PROJECT UNIT 3 & 4- SIKKA, DISTRICT : JAMNAGAR.	
COAL HANDLING PLANT	COMMERCIAL TERMS AND CONDITIONS	VOL-1, SEC-2

NAME OF THE BIDDER :
ENQUIRY No. & DATE : 88/10/6040/SV Dated 22-12-2010
PROJECT : 2X250 MW SIKKA TPS EXPANSION PROJECT
UNIT 3 & 4- SIKKA, DISTRICT: JAMNAGAR.
NAME OF THE WORK : "Civil, Structural and Architectural works"
for the coal handling works FOR 2 X 250
MW SIKKA TPS UNIT 3 & 4, Dist. Jam
Nagar.

I. Commercial Terms And Conditions:

SL NO.	Clause	BHEL's Requirement	Acceptance / Remarks
1.	Scope of Work	Scope of work includes Design, Engineering, supply and construction / erection for Civil, structural and architectural works as described in the tender documents.	
2	Price Basis	<u>UNIT RATE BASIS</u> Unit rates shall be quoted by the bidder for the items described in the BILL OF QUANTITY (provided with the tender document). The quantities given in the Bill Of Quantity are tentative and are likely change to any extent depending the detail engineering. Unit rate for the items shall be inclusive of all taxes and duties (except SERVICE TAX WITH EDUCATIONAL CESS AND WCT UNDER VAT act.) and also applicable for any quantity . Rates quoted are firm till the completion of project.	
3	Taxes	All taxes (except Service Tax & WCT under VAT act.) for the contract shall be borne by the bidder and shall not be payable extra. No statutory variation is applicable on the same. The accepted rates / price are inclusive of all	



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		<p>such requirements.</p> <p><u>SERVICE TAX:</u></p> <p>Service tax (including educational cess) <u>at full rates</u> as legally leviable and payable by bidder under applicable law <u>shall be reimbursed extra by BHEL against Tax Invoice.</u> Bidder shall furnish proof of service tax registration with the central excise department.</p> <p>Registration shall bear endorsement for the premises where the billing shall be done by bidder on BHEL for this project.</p> <p>Excise duty paid on input goods including capital goods used for providing the output service and service tax paid on input service can be taken as credit against the service tax payable on your output service. <u>Quoted price should be net of these input taxes.</u></p> <p><u>WCT under VAT act.</u></p> <p>Bidder should be registered under VAT act. Of the respective states. A copy of registration certificate shall be produced as proof of the same. <u>Bidder shall pay VAT on works contract under composition scheme, which would be reimbursed to bidder extra at actual. Applicable rate of VAT on WCT under " composition scheme" is to be indicated in the bid.</u> Copy of tax paid challan, copy of return showing BHEL portion of job value separately and other necessary documents to BHEL as required under VAT act./rules should be produced, so that BHEL can get the benefit of deducting contractual transfer price under the respective VAT act. while discharging its output liability. Before commencement of work, permission to pay</p>	



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		<p>VAT on works contract at composition rates shall be obtained from VAT authorities and a copy of same is to be furnished along with the first bill.</p> <p>TDS on VAT on works contracts, wherever applicable as per state VAT act, shall be deducted from sub contractors bills and remitted to VAT authorities for which TDS certificates would be issued by the employer.</p>	
4.	Terms of Payment.	<p>Payment shall be made to the contractor based on the actual quantity of work done, measured, entered in the measurement book and certified by the engineer-in-charge of BHEL-ISG. The certified quantity multiplied by the quoted unit rate against respective item shall be the billing amount subject to terms of payment as described below:</p> <ul style="list-style-type: none"> I. 90% progressive payment of the total value of RUNNING ACCOUNT BILL after certification from the Resident Manager / Engineer in charge. II. 5 % shall be released after the completion of reliability run (COD), which is scheduled tentatively in the month of August-2013 and against the certification by BHEL / GSECL. III. Remaining 5 % shall be released on the successful completion of Performance Guarantee (PG) test and receipt of certificate for the same from GSECL. The PG test is tentatively scheduled in the month of Nov -2013. <p>Progressive payment for the works shall only be made after the issue of certificate by engineer, one for the quantum of work</p>	



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		<p>completed and the other by field quality surveillance representative for the successful completion of quality check points involved in the quantum of work billed.</p> <p>The payment for running bills will normally be released within around 30 days of submission of running bill with measurement book. Bidder shall make their own arrangement for making payment of labour and other dues in the meantime.</p>	
5.	Earnest Money deposit	<p>An amount of Rs. 2 lakhs only as EMD shall be deposited in DD (as permissible under income tax act), Pay-order or bank draft (in favor of BHEL) in a separate cover with the offer. In case of cash deposits, the money shall be deposited with finance dept. of BHEL and the cash receipt shall be submitted with the offer. Offer shall be liable for rejection, in case no EMD as above is found in the cover marked as 'EMD'.</p> <p>The 'EMD' by the tenderer will be forfeited if</p> <ul style="list-style-type: none"> - After opening the tender, the tenderer revokes his tender within the validity period or increases his earlier quoted rates. - The tenderer does not commence work within a period of 15 days after the award of the contract. <p>The EMD of unsuccessful bidders shall be returned within 15days of acceptance of award of work by successful tenderer. EMD shall not carry any interest.</p>	



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6.	Security deposit	<p>Security Deposit shall be furnished by the successful bidder. The rate of security deposit will be as below:</p> <p>--Up to Rs.10 Lakhs : 10%</p> <p>--Above Rs.10 Lakhs up to Rs.50 Lakhs : Rs.1 Lakh + 7.5% of the amount exceeding Rs.10 Lakhs.</p> <p>--Above Rs.50 Lakhs Rs.4 Lakhs + 5% of the amount exceeding Rs.50 Lakhs.</p> <p>Security Deposit should be furnished before the start of the work in any of the following forms :</p> <p>i) Cash (as permissible under the Income Tax Act)</p> <p>ii) Pay Order, Demand Draft in favour of BHEL.</p> <p>iii) Local cheques of scheduled banks, subject to realization.</p> <p>iv) Securities available from Post Offices such as National Savings Certificates, Kisan Vikas Patras etc. (Certificates should be held in the name of Contractor furnishing the security and duly pledged in favour of BHEL and discharged on the back).</p> <p>v. Bank Guarantee from Scheduled Banks / Public Financial Institutions as defined in the Companies Act subject to a maximum of 50% of the total security deposit value. The balance 50% has to be remitted either by cash or in the other form of security. The Bank Guarantee format should have the approval of BHEL.</p> <p>Vi) 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, duly discharged on the back..</p> <p>vii. Security deposit can also be recovered at</p>	



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		<p>the rate of 10% from the running bills. However in such cases at least 50% of the Security Deposit should be collected before start of the work and the balance 50% may recovered from the running bills.</p> <p>viii. EMD of the successful tenderer shall be converted and adjusted against the security deposit.</p> <p>ix. The security deposit shall not carry any interest.</p> <p>NOTE: Acceptance of Security Deposit against Sl. No. (iv) and (vi) above will be subject to hypothecation or endorsement on the documents in favour of BHEL. However, BHEL will not be liable or responsible in any manner for the collection of interest or renewal of the documents or in any other matter connected therewith.</p> <p>Security deposit shall be refunded to the contractor after successful completion of the PG test as explained above subject to submission of Bank guarantee for 10% of the total contract value towards performance, which shall be valid up to defect liability period.</p>	
7.	Defect liability period	The contractor shall be responsible for any defect in civil, architectural and Structural works performed for a period of 15 months commencing immediately after the " <u>reliability run (COD)</u> ". In case of any defective work coming to the notice within the defect liability period, the same shall be made good by the contractor at his own cost.	
8.	Receipt of Material from	The bidder shall receive the material supplied to site or issued from the BHEL store for	



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	BHEL / Customer.	construction purpose and is responsible for unloading, storage, security of the issued material and shifting to the work place etc., complete. Bidder is fully responsible for any theft or damage of material which is under his custody.	
9	Visits to BHEL Bangalore, New Delhi, Sikka offices & site	Visits as required to BHEL Bangalore, BHEL New Delhi, Sikka site, GSECL office at Vadodara and any other place for meetings / discussions shall be included by contractor in their offer. All expenditure on account of the same shall be borne by the contractor.	
10	Project Completion Schedule	12 months from the date of LOI	
11	Arbitration	Subject to Bangalore Jurisdiction only based on Indian Arbitration Act 1996 with latest amendment if any.	
12	Validity of offer	90 days from price bid opening / reverse auction date.	
13.	Liquidated damages	Any delay in the completion of project as per the clause 10 above due to the reasons attributable to the contractor will attract LD at ½ % of total order value per week or part thereof subject to maximum of 17.5 % of total order value.	
14	Departmental charges	Any material or service issued / rendered by BHEL to the bidder (unless specifically stipulated to be free of cost / cost recoverable basis) during the execution of project on bidder's demand, the same shall be made available along with 15% departmental charges over and above the cost. BHEL shall not be responsible for any delay due to this reason and delay shall be to contractors account.	
15	Labour license	In the scope of bidder. Bidders shall obtain	



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		labour license in their name. Bidder shall have valid license to work in Gujarat State, if not available, the same shall be obtained and produced within one month after the award of contract.	
16	Labour laws	Bidder should follow all the labour laws as applicable at the place of work / Gujarat state including payment of minimum wages fixed by Government of Gujarat.	
17.	Insurance	By the bidder for his workers, tools & tackles, workmen compensation insurance. Bidders shall also take third party insurance liability @ Rs. 2.00 lakhs per occurrence and maximum of Rs. 10.00 Lakhs.	
18.	All man, material, Tools and Plant required for the completion of work.	Bidder shall provide all man, materials, tools and plant required for the completion of work except Reinforcement steel and structural steel. The supply of reinforcement steel and structural steel shall be restricted to requirements as per approved drawings. The permissible scrap is BHEL's property which shall be returned to BHEL after the completion of project.	
19	Obtaining statutory authorities, clearance required for the completion of work.	By the bidder.	
20	Any theft or damage of materials from erected structures – Coordination with local police authorities, lodging the FIR & obtaining the receipt of the	By the bidder.	





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	same, coordinating with insurance agency, correct the same at no extra cost.		
21.	Office / Residential accommodation, Local transport	In the scope of bidder. No separate payment shall be made by BHEL for the same.	
22	BHEL reserves the right to split the order.	BHEL has the right to split and place the order either in part or full as per enquiry. Contractor shall not claim for any compensation for the above.	
23	Reverse Auction	"BHEL reserves the right to go for a Reverse Auction instead of Opening the submitted sealed bid, which will be decided after technical evaluation". In case the Reverse Auction fails or due to any other reason, BHEL reserves the right to open the sealed price bids in public and finalize the placement of order accordingly. Non-Acceptance of this clause by the vendor will be deemed to be for rejection of his offer.	
24	Rejection of Offer	BHEL reserves the right to reject the offer, in case the bidders past performance in any of the BHEL's previous contract' is not found satisfactory.	
25.	ECS Payment	Payment will be made by electronic transfer of funds and for which the vendors are to provide the following information along with their offers in their letter head duly signed. Information to be provided: Bank Name, Bank Address, Bank Phone, IFSC Code (NEFT), Bank Account No., Pan No., Service Tax No., Tin No., E-Mail Id etc.,	
26	Bill Submission	All the invoices and other related documents against our order are to be submitted to the Resident Manager / Engineer for their	

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		certification and for release of payment.	
27	Risk Purchase	In case of default / late / failure in supplying / discharging any material / activity for the completion of project, purchaser reserves his right to make alternate arrangement for procurement / arrangement for work etc., at Contractor's risk and cost.	
28.	Evaluation of Offer	Evaluation and scrutiny of offer shall be for the total package as per enquiry.	
29	Integrity Pact	Bidders shall sign the integrity pact as per the enclosed format.	

II. **ARBITRATION**

All disputes between parties to the contract arising out of or in relation to the contract, other than those for which the decision of engineer or any other person is by the contract expressed to be final & conclusive, shall after written notice by either party to the contract to the other party, be referred to sole arbitrator of the General Manager of BHEL or his nominee. The arbitration shall be conducted in accordance with the provisions of the Indian Arbitration conciliation act 1996 and the rules there under and any statutory modifications thereof. The place of Arbitration will be at Bangalore. The parties to the contract understand and agree that there will be no objection that the General Manager or his person nominated as arbitrator had earlier in his office capacity to deal directly or indirectly with the matters to which the contract relates or that in the course of his official duties had expressed views on all or any of the matters in dispute of difference. The award of arbitrator shall be final and binding on the parties to this contract.

In the event of Arbitrator dieing, neglecting or refusing to act or resigning or being unable to act for any reason or his award being set aside by the courts for any reason, it shall be lawful for the General Manager or his successor, as the case may be, either to act himself as the Arbitrator in place of the out going Arbitrator in the manner aforesaid.

The Arbitrator may, from time to time, with consent of both the parties to the contract, enlarge the time for making the award.

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The work under the contract shall be continued during the arbitration proceedings. The venue of Arbitration shall be such place from which the contract is issued or such other place as the Arbitrator at his discretion may determine.

III. LAWS GOVERNING THE CONTRACT

This contract shall be governed by the Indian Laws for the time being in force. Any claim or disputes arising under the terms of this tender / agreement shall be enforced or filed in the Courts at Bangalore only.

Signature with Date :

Name :

Company Seal / Name :