

BHARAT HEAVY ELECTRICALS LIMITED, BHOPAL
HUMAN RESOURCE MANAGEMENT-CONTRACT LABOUR CELL

HR/CLC/2014-15/ Date: - 29/05/2014

Sub. Works contract management – issues and new clauses to be inserted in NIT

Meeting on the subject to was held on 28.05.2014 which was chaired by the Executive Director and attended by General Managers, contracting executives of departments and various contractors dealing with works contract in BHEL, Bhopal. Subsequent to the discussion in the meeting it has been decided to implement the following: -

1. In Product group, Work Contract will be allowed only in shop floor related activities, after full utilisation of existing manpower and society labourers.
2. For all type of works like data-entry, clerical and office work, BLEW will be the sole agency.
3. In the absence of a valid Work Order / LOI, no work shall commence/continue. HR shall not allow permission for gate entry in the absence of a valid work order/LOI.
4. **Statutory compliances are mandatory:** - noncompliance of statutory provisions may lead to cancellation of tender / blacklisting of contractor. This will be part of terms and conditions of the tender. A summary of the important statutory requirements is hosted at Contract Labour Cell (CLC) web page. Other important related directives are as under: -
 - I. **Wages and wage sheet:** - Non receipt of payment from BHEL or any other unsettled issue with BHEL or any other entity shall not be a pre-condition for payment of wages. Complaints of short payments and non-payment of wages shall be viewed seriously and may result in cancellation of tender and penal action including blacklisting. Entry with pencil or blank spaces in wage sheet shall not be acceptable. If a contractor has two or more contracts the name of a worker shall appear in only one wage sheet for a given period. Contractor shall make efforts to provide PF and ESI no. of their workers on the wage sheet itself.
 - II. **PF and ESI:** - Contractors shall provide annual statement of PF to their workers to enable them to know their PF balance status. In case of change of contractor, the previous contractor shall immediately facilitate in filling of Form No 13 for smooth transfer of PF to the new account. In case of termination of service of contract labour, Form No. 19 should be immediately filed by contractor for settlement of PF dues. Before generating ESI no. for a contract labour, the contractor should ensure that the labour does not have an existing ESI no. Case have been reported wherein a worker has been allotted two or more ESI nos. causing non continuity of insurance and thus denying benefits under the ACT to the workers.
 - III. **Accidents:** - In case of accidents, the contractor or his supervisor should be present to facilitate completion of formalities. Detailed guidelines for treatment at Kasturba Hospital in case of emergency are hosted at CLC web page.
 - IV. **Bonus:** - Contractors should pay the bonus before the final bill is cleared.
 - V. **Leave:** - In case of workers who have worked for 240 or more days in the preceding year, annual leave with wages @ one day for every 20 day worked and 07 days' casual leave is to be provided for all works contract labourers eight day paid holidays are to be provided in a year.

- VI. **Contribution to welfare fund:** - Contractor should ensure that half-yearly contribution to M.P Labour Welfare Fund is deposited [Rs.60/- (by contractor) per person and Rs.10/- (by worker) per person]. Many welfare facilities like student scholarship, distribution of notebook at subsidised rates, monetary help for daughter's marriage, widow pension, vocational training etc. flow from this fund.
5. **Inspection:** - During inspection (by PF / ESI or Labour authorities), contractor should make themselves available for inspection of their records and cooperate with authorities and BHEL contractors should provide correct and complete information of their workers to all the authorities. They should keep all the registers and forms updated.
6. **Uniform and shoes** are to be provided necessarily to the contract labourers and this has to be ensured by the contractor. In case of non-compliance, bill will not be cleared/contractor shall be issued notice of termination of contract. Contractors should also ensure that their workers wear helmets and use necessary PPEs while at work.
7. **Supervision:** - Contractor is required to supervise the work of his workers at workplace. If he is unable to do so, then he may deploy sufficient no. of supervisors who can supervise on his behalf. Contractor should provide at least one identified supervisor per shift for supervision of contract labour's work in the shop. All issues regarding discipline at the works like allocation, early exit, snacks distribution etc. are responsibility of contractor's supervisor.
8. **Ref: HR/CLC/15- 16/ Date: 09.08.2015 Police verification of contract workers engaged by contractors/agencies at BHEL Bhopal**

As per above said circular, following decisions have been taken with reference to police verification of contract workers/labours, in-line with the practices followed earlier:

- I. After issuing Work Order number by HR Contract Labour Cell, Contractor shall submit the worker's details, required for e-Token & Smart Cards, to HR CLC in the prescribed format.
- II. E- Tokens (Smart card without photo), will be issued for initial 15 days' period only.
- III. Contractor shall get the police verification of all workers/labours within 15 days of commencement of work and submit police verification report to HR CLC.
- IV. Smart Cards based photo passes shall be issued by HR CLC, only after receiving the police verification report.
- V. In any condition, no smart cards shall be issued to any workers, without police verification & their entry in the factory premises shall be blocked immediately.
9. **Offer submission in response to invitation:** - An offer, each page duly signed by an authorized person, with all formalities, in a sealed & properly super scribed envelope, shall be deposited, in tender box at the central designated venue, on or before the date and time specified in NIT.

Offers thus received shall be opened at the designated venue on the specified date & time, in the presence of those bidders or their representatives, who choose to be present.

The rate shall be quoted as the Final rate including of PF, ESI, all other statutory payments, levies and all other Govt. taxes but **Excluding of the GST. No escalation/ additional / overtime/ waiting charges will be paid other than the quoted rate.**

Any further tax shall be considered as applicable.

An offer will be treated as **invalid** offer if it contains any condition, deviation, or insufficiency. Quoting of any ambiguous, impractical, unworkable rate or over written, unclear or erased rate in Price bid shall be strictly avoided. Any such case may lead to cancellation of the offer.

Validity period of an offer shall be up to three months after the submission date.

10. **Smart cards and E-tokens:** - Smart Cards have been issue to the contractors for bringing workers inside the factory. Contractor has to ensure that the cards are not misused. Impersonation or holding back the cards and not returning the same to CLC in case of expiry of the validity or discontinuation of the service of the worker is totally unwarranted. Smart Card is issued to a worker for a particular work order only. Worker should note deployed for any work other than the one for which he has been issued the smart card. E-Token has been created as a stop gap arrangement to ensure that the worker can enter the factory till he gets a smart card. Tendency to repeatedly renew the e-token and not get the smart cards should be prevented. Contractor has to issue the e-token to the workers before the start of the shift and collect it back at the end of the shift.

Only required quantity of smart cards and e-tokens should be requested. Hoarding of cards creates scarcity and incurs unnecessary cost. Department's should ensure that their contractors get smart cards within 15 days beyond which E-token shall not be issued.

ITI passed or Works experience of fitting / Electrical and Maintenance work for minimum Three years for skilled, one-year work experience for semi-skilled, to be submitted before allotment of work order.

11. **Payment terms:** -

- i. Payment shall be made, on the Nos. of Measurement units, successfully executed, by the firm. Firm shall submit their clear & legible bills (in duplicate) on **Quarterly basis**, duly verified by concerned engineer through Measurement book.
- ii. Payment shall be released within 60 days, after submission of the bills (Measurement book), with meeting all formalities in advance. All payments shall be released through electronic-pay mode only.
- iii. GST shall be paid, as per Govt. rules, to the firm against running actual, on documentary evidence. GST shall be paid extra and over the quoted rate. If any new tax introduced shall be considered accordingly SAC and GST rate to be confirmed by party. Any Loss/delay in tax credit due to the reason attributable to contractors shall be recovered from them with interest.
- iv. No interest shall be payable by BHEL on Earnest Money, Security Deposit or on any money due to the firm by BHEL.
- v. Firm shall arrange his own finance for smooth execution of contract, wages payment, other statutory payments to his employees and all other agreed conditions.

Payment against running bills, on achievement of milestones, will have no relation with the payment schedule of firm for wages etc. of their personnel.

12. **LD/PENALTY CLAUSE:** Non completion of work (Preventive Maintenance per machine) within stipulated time (as per tentative scheduled) shall attract deduction of money @ 0.5% per week of total contract value (maximum deduction 5% of contract value GST shall be charge extra on penalty). Two weeks' grace shall be allowed; however, the period of completion shall not exceed in any case three months from original stipulated date. **OR**

1) "Penalty for shortfall of man-days shall be deducted on half yearly basis. During 6 month if manpower shortfall below 606 man-days, penalty will be deducted and rate of penalty shall be 10% of the value of shortfall.

Total man-days for contract period shall be 2 X 606 = 1212 man-days.

GST shall be charged extra on penalty.

13. **Wages shall be paid through bank account for all contracts.**

- i. Contractor shall neither try to influence case or interfere into the working of BHEL officials nor engage BHEL employee or any other third person for the same. In case such incident does occur, it may lead to disqualification/debarring from the contract. Any contractor shall be debarred from consideration if any of his relations is working in the product/functional group in which the contract is being issued. Before issuing tender form to any contractor for limited tender enquiry a confirmation has to be obtained that none of his relations are working in product/functional group. In case of open tender, a clause shall be inserted in the tender condition which disqualifies a tenderer from participating in any tender where his relatives are working.
- ii. Contract workers up to the age of 65 years would only be permitted inside factory area.
- iii. Contractor shall present the bill within reasonable time. Bill pertaining to period more than three months old shall not be cleared by CLC. Such bills will require specific approval of GM (HR) for clearance. Bills more than 06 months old will be cleared after bringing the same to the notice of ED.
- iv. System of job cards for works done under works contract shall be strictly adhered to.

14. **Terms (Period) of Contract:** - For Twelve Months from the date of commencement of work order.

STATUTORY INSTRUCTIONS TO CONTRACTOR
(To be ensured by contracting dept.)

STATUTORY REGISTRATIONS AND CLEARANCES

Contractor shall commence the work only after obtaining:

- i. Labour Licence
- ii. Provident fund code no.
- iii. ESI code no
- iv. Registration no.
- v. Notice of commencement in Form 6-A & Maintain Register of workers in form 13.