

## **1. STATUTORY COMPLIANCES TO BE FOLLOWED BY CONTRACTOR GENERAL TERMS AND CONDITIONS: -**

BHEL shall have the privity of the contract with the contractor only and will give instructions to the contractor or his authorized representative. BHEL will have nothing to do or be concerned with the employment of employees working for the contractor. The relationship between BHEL and the Contractor will be that of independent entities and nothing herein contained will amount to joint venture, partnership or an employer-employee relationship.

- I. The contractor shall maintain regular contact with the designated employee(s) of BHEL and will interact on matters relating to the work awarded under this contract.
- II. Contractor will ensure that the job is executed through his employees on his rolls and under no circumstances the contractor will deploy any casual employee to carry out the job nor shall sub-contract the job without prior written permission.
- III. In case the Contractor does not carry out the Contractual/Statutory obligations or the services rendered by him are found to be unsatisfactory, BHEL shall bring the same to his notice and he will be obliged to discharge the obligations and rectify the deficiency/anomaly within three days' time failing which, BHEL reserves the right to terminate the contract without assigning any reason whatsoever. In such an event, no damages will be payable for short closure of the contract.
- IV. The contractor shall deposit 10% of contract value as security with BHEL in the form of pay order/bank guarantee/FDI in the name of contractor A/c – BHEL duly discharged on the back before start of the work. Security Deposit can also be recovered at the rate of 10% per month. In that case 50% should be deposited at the start of the work rest 50% can be recovered from the running bill. The amount of EMD can be adjusted in the security deposit. This security deposit shall be liable to be returned to the contractor after termination of the contract or at the end of it, subject to deduction on account of company dues, non-deposit of statutory dues etc. No interest shall be payable on the security deposit.
- V. The decision of BHEL regarding interpretation of any of terms and conditions set forth in this agreement shall be final and binding on the Contractor.
- VI. Any matter arising out of or in connection with the agreement shall be under jurisdiction of Bhopal Court.
- VII. Notwithstanding anything contained in this Agreement, the contract may be terminated by BHEL without assigning any reason thereof by giving a notice of 30 days to the contractor.
- VIII. The contract will remain valid for 24 months from the day of commencement of contract. The parties reserve the right to extend the contract on mutually agreed terms and conditions.
- IX. All disputes arising in connection with the contract shall be settled by mutual consultation. If no agreement is reached the dispute shall be settled in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and the rules made there under. The dispute shall be referred for arbitration to any arbitrator to be appointed by the Head of the Unit. The award of the arbitrator shall be final and binding on both the Parties. The venue of the Arbitration shall be Bhopal in India. The Award to be given by the Arbitration shall be a speaking award. All questions, disputes, differences arising under, out of or in connection with this contract shall be to the exclusive jurisdiction of Bhopal Courts.

- X. In case contractor fails to make payment of wages to his employees or remittance of contribution to the concerned authorities, the security deposit /other dues under the contract can be utilized by BHEL to discharge the liability of the contractor. The liability for any compensation on account of injury sustained by an employee of the contractor will be exclusively that of the contractor.
- XI. Contractor shall observe Provisions of the Factories Act in respect of working hours, holidays, rest intervals, leave and overtime to his employee. No work shall be done on second/third shift, overtime, Sundays or on other declared holidays without written permission.
- XII. Contractor shall submit following Certificate for each contract separately

It is certified that PF challans of the amount ----- pertains to my workers whose names are appearing in the wage sheet of the month ----- and these workers are engaged in ----- (type of work) against work. Work order no. ----- in ----- (name of department).

**Signature of Contractor**

## **2. PAYMENT OF WAGES ACT.**

- I. Contractor shall be responsible for making payment of wages through Bank/NEFT only. No other mode of payment shall be acceptable and to ensure disbursement of wages in the presence of the authorized representative of contract operating division & representative of HR who shall record under his signature at the end of entries in the Register of wages in the following form: -
- II. "Certified that the amount shown in column no. .... has been paid to the workers concerned in my presence on date ..... at time.....".
- III. Payment of bonus under the Payment of Bonus Act, Payment of gratuity under the Gratuity Act, and retrenchment compensation under Act will be the sole responsibility of the contractor.

## **3. ON COMPLETION OF WORK**

- I. Submit PF & inspection report

## **4. SAFETY AND DISCIPLINARY ACTION**

- I. Contractor shall ensure that his employee do not indulge in any unsafe or hazardous practices. They use safety equipment such as hand gloves, safety belts, safety shoes, goggles, helmet and masks where use of such equipment is required in day-to-day operations. All such safety gadgets will be provided by the contractor failing which the contract operating division will provide safety equipment to such employee of the contractor at the cost of the contractor to be recovered from his bills. Contractor shall fully indemnify BHEL against any claim for damages for injury to person or property resulting from such accidents.
- II. Contractor to ensure that employee deployed in the premises is physically and mentally fit and do not have any criminal record.
- III. Contractor will be responsible for good conduct of his employees. In case of misconduct, contractor shall take prompt disciplinary action as per "Model Standing Orders" on the advice of contracting officer.

- IV. The contractor has to provide a distinct uniform different from BHEL employees. The Uniform should have logo of the Contractors firm / company. The uniform shall be kept in neat, tidy and wearable condition. Wherever necessary, the Cap shall be integral part of the uniform
- V. Contract awarded is liable for termination for any contravention of statutory provisions or any other reasons without assigning any explanation or notice to the contractor.
- VI. Contractor shall fully comply provisions of various applicable labour laws.

#### **5. RECORDS & INFORMATION TO BE FURNISHED BY CONTRACTOR**

- I. Contractor shall maintain neatly, completely and legibly registers, records, reports and returns for inspection by various authorities at short notice.
- II. Contractor shall submit the details of work awarded to him by other departments indicating work order No., nature of work and maximum number of workers employed etc.
- III. Contractor shall provide information as required in respect of all his employees employed by him to enable the contract operating division to monitor compliance of P.F. /ESI and also to enable him to furnish information to Ministry and Labour department as may be required.
- IV. Contractor shall provide full particulars of each employee employed by him before start of the work and from time to time. He will also endorse a copy of returns furnished by him to the Labour Department under the Contract Labour (Regulation and Abolition) Act 1970.

#### **6. CONTRACTOR SHALL ENSURE FOLLOWING WHILE EXECUTING CONTRACT**

- 1. Employment card as per rule no 76 of contract labour (Regulation & Abolition) MP rules, 1973
- 2. Appointment letter to his employees.
- 3. Annual leave with wages including EL, CL, National Holiday & Festival holiday.
- 4. Leave record register.
- 5. Shall engage only adult workers who have attained the age of 18.
- 6. Work to be done on second/third shift, overtime, Sundays or on other declared holidays with written permission
- 7. Obtain insurance cover for his employees/equipment, tools etc. & third party insurance coverage at his own cost.
- 8. Remit Provident fund contributions in prescribed 3A & 6A forms
- 9. ESI contributions in Form 6
- 10. Submit challans of PF & ESI contributions every month.
- 11. Provide Personal protective equipment's for his employees.
- 12. Distribute wage slip each month to his employees.
- 13. Ensure payment as BHEL Current statutory minimum wages act.
- 14. Submit employee and employer contribution as per Shram Kalyan Nidhi Adhiniyam, 1982

#### **7. TERMINATION OF CONTRACT**

Contract awarded is liable for termination for any contravention of statutory provisions or any other reasons without assigning any explanation or notice to the contractor.

## **8. COMPLIANCE OF STATUTORY PROVISIONS**

Contractor shall fully comply provisions of various applicable labour laws provisions of the following enactments and other enactments as applicable for such contracts.

Contract Labour (R&A) Act 1970 and rules 1971.  
Payment of Wages Act.  
Minimum Wages act 1948, M.P. Rules 1958  
Employees State Insurance Act 1948, Rules and regulations 1950  
Employees Provident Fund Act 1952 and Pension Scheme 1995  
Workmen's Compensation Act 1923  
M.P. Industrial Relations Act 1960.  
Factory Act 1948  
Maternity Benefit Act 1961  
Equal Emolument Act 1976  
MP Shop & Establishment Act 1985  
M.P. Shram Kalyan Nidhi Adhiniyam 1982  
Payment of Bonus Act 1963  
Inter State Migrant Act

## **9. NEW CLAUSES ADDED IN GENERAL TERMS AND CONDITIONS OF WORKS CONTACT**

### **Qualification/skill requirements**

- i. Wherever estimates of skilled operators are made, the work order shall state specifically the need for providing ITI qualified labour.

[Note- In case of newly deployed contract labour for skilled job, ITI qualification is mandatory whilst for those who have skilled work experience but no ITI qualification, at least three years skilled work experience as ascertained by HoD shall be necessary for future deployment. In other cases, not meeting above criteria, the estimation shall be done on the basis of semi-skilled labour. In the works contract document, it shall be specifically provided that BHEL reserves the right to reject any labour technically unsuitable.]

- ii. **Attendance record of contract workers** - "The contractor should maintain an Attendance Register against each work order in respect of the contract labourers deployed by him in that department. The contractor shall record the

daily attendance of the workers. The register shall bear the daily signature of contract workers & contractor. The register shall at all the times of work, be available at the place of work/deptt. Attendance register shall be maintained in the format of Form No XVI as per CL (R&A) Central rules 1971 and available on CLC web page. If during any inspection, the attendance register is not found at the place of work, the contract is liable to be short closed/ terminated. "

- iii. **Wage record of contract workers** - "The contractor should maintain a Wage Register against each work order in respect of the contract laborers deployed by him in that department. Wage Register shall be maintained in the format of Form No. XVII/XVIII as per CL (R&A) Central Rules 1971 and available on CLC web page. The Wage Register shall be based on the Attendance Register as mentioned above. The Contractor shall issue Wage Slip to each contract worker, every month on the last day of the wage month. Wage slip shall be as per the CLC format available at CLC

Web page. The Contractor shall pay wages not later than 7th of the succeeding month. The Wage Register shall bear the PF and ESI nos. of the workers.”

- iv. **Compliance of PF/ ESI deductions** - “The Contractor shall file the electronic return of PF/ ESI and submit proof of payment of both the employer’s and employees’ contributions every month. (PF has to be remitted by 15th and ESI by 21st of the succeeding month.) contractor shall submit the challan along with copy of a self-certified list of contract workers (bearing their names and PF/ESI no. and deductions made) for whom the contribution has been submitted by him for the said period. Such list shall be displayed in the notice board of the department.”
- v. **ESI card based Labour Entry** – “Only those workers shall be allowed entry into Factory premises who have valid ESI card.”
- vi. **Uniform, shoes & helmet for contract workers-** “In the first month of the execution of work order the contractor shall provide uniform, shoes & helmet to his workers and provide an undertaking on this regard to the department and the first bill shall be processed only on the production of the undertaking. In case of non-compliance beyond second month the contractor shall be issued notice of termination of contract.”
- vii. **Supervision of Contractor labour-** “The contractor should provide for at least one identified supervisor per shift. All issues regarding discipline at the works like work allocation, early exit, snacks distribution etc. are to be supervisor’s personal responsibility.”
- viii. **Contract labour accidents while at work:** - “In case of medical emergencies faced by contract worker at work, medical facilities in the interest of the well-being of the worker shall be provided by BHEL. The decision of the doctors attending the emergency shall be final and binding. The cost incurred shall be deducted from the bills of the contractor. The Contractor shall complete the ESI formalities and BHEL shall submit claim of reimbursement of medical expenses to ESI. The amount reimbursed by ESI shall be paid back to the contractor.”
- ix. **Prohibition on influencing and interfering on behalf of contractor-** “The Contractor shall neither try to influence, chase 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 given by contractor that none of his relations are working in that product/functional group.”
- x. **First and Final Bill to be cleared only after submission of Form VI A & VI B:**  
“Contractor shall within 5 days of commencement /completion of Work Order submit Form VI A to RLC office. Contractor shall submit a copy of Form VI A bearing the receipt seal of RLC office to HR department. The first and final bill shall be processed only on clearance regarding submission of Form VI A and VI B by contractor. New Work order no. shall be allotted only after the contractor concerned furnishes copy of Form VI A regarding the closure of the earlier contracts (if any). 11. “Do’s and Don’ts for Works Contract inside factory dated 03/05/2012 on HR CLC site to be followed strictly.

**10. Do's and Dont's for Works Contract inside factory dated 03/05/2012 on HR CLC site to be followed strictly.**

i. **DEFINITIONS: -**

The following terms and expressions shall have the meaning hereby assigned to them, except where the context otherwise requires.

'BHEL' shall mean Bharat Heavy Electricals Limited, a Company registered under the Indian Companies Act, 1956 with its Registered Office at BHEL House, Siri Fort, New Delhi, Pin-110049 through its office at Piplani, Bhopal – 462022 or its authorized Officers or its Engineers or other employees authorized to deal with any matters with which these persons are concerned on its behalf.

ii. **'CONTRACTOR' or 'FIRM'** shall mean the individual, firm or Company who is enlisted with BHEL for providing the services and shall include their executors, administrators, successors and permitted assigns.

iii. **'CONTRACT' or 'CONTRACT DOCUMENT'** shall mean and include guidelines and declarations of the registration, the General Terms & Conditions and Statutory Compliances, schedules of quantities, accepted appendices of rates, if any, technical specifications, special specifications, if any, Letter of Intent, agreement & the work order, issued by BHEL.

Any conditions or terms stipulated by the bidder in the tender documents or subsequent letters shall not form part of the contract unless specifically accepted in writing by BHEL and incorporated in the work order.

iv. **LETTER OF INTENT** shall mean the intimation by a letter / email / fax to the bidder that the tender has been accepted in accordance with provisions contained in that letter. The responsibility of the contractor commences from the date of issue of this letter and all the terms and conditions of contract are applicable from this date.

v. **APPROVED, DIRECTED or INSTRUCTED:** shall mean approved, directed or instructed by BHEL Shop Engineer/Shop- in-charge/Concerned authorities.

vi **'WORK' or 'CONTRACT WORK'** shall mean and include the work to be done in relevant work category by the firm or as specified in the Tender documents.

**11. Return of Security Deposit:**

The Security deposit shall be refunded to the firm, of successful completion of the contract, after producing "Clearance and No Dues Certificate" from the concerned executive.

A. If the value of the work done at any time exceeds the accepted Contract value, the Security Deposit shall be correspondingly enhanced and the extra Security Deposit shall be immediately deposited by the Contractor otherwise it shall be recovered from payments due to him. Failure to deposit the Security Deposit within the stipulated time may lead to forfeiture of Earnest Money and cancellation of the award of work. 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 contract. BHEL reserves the right to set off the Security Deposit, against any claims of any other contracts with BHEL.

B. No interest shall be payable by BHEL on Earnest Money, Security Deposit / or on any moneys due to the Contractor by BHEL.

**12. 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.

Earnest Money Deposit and Security Deposit will be as per the tender documents.

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.

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.

**13. Agreement signing:**

The firm will be required to sign a contract with BHEL on a proper Rs. 500/- Non-judicial stamp paper, in a prescribed format before start of work. The cost towards agreement shall be borne by the firm.

**14. Responsibilities of the firm: -**

**15. General Responsibilities: -**

- i. The firm shall follow all the statutory compliances as mentioned in the **Annexure-I** and all the prevailing Industrial / Labor laws/ Govt. laws, as amended from time to time.
- ii. The firm shall pay all taxes, fees, license charges which may be him or otherwise as deemed fit.
- iii. The firm shall ensure that no damage is caused to any person/any existing work/property of BHEL/other parties working inside the factory. If any such damage is caused, it shall be the responsibility of the firm to make good the losses and compensate the affected parties at his own cost.
- iv. The firm shall fully indemnify BHEL/its customer against all claims of whatever nature arising during the course of execution of this contract due to acts of the firm/their personnel.
- v. Gate Pass for entry into BHEL Factory would be required for all the persons deployed by the firm. The firm shall be arranging the passes and working permission beyond normal working hours on their own. BHEL Engineer shall provide necessary help and guidance for the same.
- vi. Firm shall maintain a Wages register showing the following details clearly, for each month, exclusively contract / area wise: -
  - a. Measure of work (or attendance) for which worker is entitled for wages.
  - b. Wages paid,
  - c. PF and ESI deduction from each worker,
  - d. PF and ESI contribution by firm,
  - e. Whether monthly wages slip received,
  - f. Signature of worker.

One copy of wages record shall be furnished every month, for inspection purpose of various labour authorities. Firm shall preserve all such wages records and other records, up to as specified by Labour laws and at least up to the security deposit clearance.

- vii. Firm shall furnish the following certificates duly applicable for the working year, whenever desired by BHEL.
  - a. Annual returns & inspection certificates of PF and ESI.
  - b. Monthly challans of PF and ESI.
  - c. MP Welfare fund receipt.
  - d. Annual statement for availed/paid leaves,
  - e. Bonus paid (Form-C & D)
  - f. The firm shall ensure that the employees deployed by them restrict their movement in the area earmarked.

**16. Technical responsibilities:**

- i. Firm shall perform all activities of the enlisted work category, or activities as notified in the Tender, as per directives of BHEL shop engineer.
- ii. Only qualified workers with required experience in the relevant work category shall be deployed to execute the work.
- iii. The work shall be done under the full time and complete administrative & technical supervision by graduate engineer / experienced diploma holder / Group leaders appointed by the firm.
- iv. All materials required to perform above activities and other shop equipment/fixtures/ tools / crane facility will be provided at free of cost by BHEL.
- v. Working time can be any time during 1<sup>st</sup>/ 2<sup>nd</sup> shifts as required by BHEL including Sundays & Holidays. Normal working hours in the plant is 8 hours.
- vi. The firm shall complete the allotted work, meeting all norms & safety parameters of BHEL and up to the satisfaction of shop executive.
- vii. Measurement unit of assigned work shall be generally per technology hours or per weight unit, per MVA, per job, per Crane hours' others etc. which shall be notified during bidding invitation.

**17. Rights of BHEL:**

BHEL reserves to itself, the following rights without entitling the Contractor to any compensation: -

Resorting to any, some, all of the actions like Contract termination, recovering the dues/ losses from the Security Deposit and the contract amount, forfeiting the Security Deposit, getting the work done through other agencies at the cost of the contractor, cancellation of registration, banning the business with BHEL etc., in any event of the followings:

- i. Contractor's repeated poor performance, withdrawal from or abandonment of the work, except in force majeure conditions.
- ii. Serious lapse in performance, Persistence disregard of the BHEL instructions.
- iii. Insolvency of the contractor.
- iv. Assignment, transfer, subletting of the contract work without BHEL's written permission.
- v. Non-fulfillment of any contractual obligations or obligations under the law.

**18. STATUTORY INSTRUCTIONS TO CONTRACTOR**

(To be ensured by contracting dept.)

**19. 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 Form 13.

**20. CONTRACTOR SHALL ENSURE FOLLOWING WHILE EXECUTING CONTRACT**

- i. Employment card as per rule no 76 of contract labor (Regulation & Abolition) MP rules,1973
- ii. Appointment letter to his employees.
- iii. Annual leave with wages including EL, CL, National Holiday & Festival holiday.
  - a. Leave record register.
  - b. Shall engage only adult workers who have attained the age of 18.
  - c. Work to be done on second/third shift, overtime, Sundays or on other declared holidays with written permission.
- d. Obtain insurance cover for his employees/ equipment, tools etc. & third party insurance coverage at his own cost.
- e. Remit Provident fund contributions in prescribed 3A & 6A forms
- f. ESI contributions in Form 6.
- g. Submit challans of PF & ESI contributions every month.
- h. Provide Personal protective equipment's for his employees.
- i. Distribute wage slip each month to his employees.
- j. Ensure payment as per statutory norms in presence of concerned dept. representative.
- k. Provide Uniform to labors different from BHEL employees.
- l. Submit employee and employer contribution as per Shram Kalyan Nidhi Adhiniyam1982.

**21. ESSENTIAL INGREDIENTS OF AN AGREEMENT BETWEEN PRINCIPAL EMPLOYER AND THE CONTRACTOR**

- i. That the agreement should be drafted and executed on non-judicial stamp paper.
- ii. That the agreement must disclose the names, addresses of the contractor and the principal employer.
- iii. That the agreement should contain the rights and obligations of both the parties.
- iv. That the agreement must disclose the place of work, time of working, rate of compensation (towards consideration) and consequences arising out of breach contract and procedure of termination by either of the parties to the agreement.
- v. That the agreement must carry out the objectives of statutory provisions and judicial pronouncements. That the agreement must disclose the scope of work, period of validity, compensation, security deposit and terms of payment of bills.
- vi. That the agreement should be between the contractor and the principal employer and should be witnessed by two witnesses.