

**(A) GENERAL TERMS & CONDITIONS:**

1. Material issued to contractor by BHEL, will be under the responsibility of contractor till he returns the same to Production / Central Stores.
2. Contractor's supervisor have to maintain data of issued raw martial, finished good and scrap material on day to day basis.
3. Shop supervisor from contractor side will co-ordinate with shift in-charge, BHEL, Production Shop for all his requirements i.e. targets of month, issue of raw material, required consumables, maintenance of machine, material handling & work verification on daily basis.
4. Contractor has to execute the work order in 2 shifts on compulsory basis as per production requirement. He has to put off all the power switches of machines , fans, lights and other shop appliances before leaving the work place after duty is over or going for lunch. If BHEL finds any laps, suitable penalty shall be imposed to the contractor.
5. Contractor's employees may use BHEL's canteen facility after purchasing the requisite coupons upon payment. BHEL is not bound for providing subsidized meal to contractor employee.
6. Boarding, lodging & transportation facility of subcontractor's employees has to be arranged by contractor.
7. The assignment as received from BHEL has to be completed as per schedule of work and if needed has to be realigned with the revised targets of BHEL by working in co-ordination with BHEL in two shifts/three shifts.
8. The contractor shall be fully responsible for the acts/omissions by the persons engaged by it for working at site under the contract. The persons engaged by the contractor should not have any criminal Record/or involved in any activity subversive of law and order. The contractor shall be fully responsible for injury/loss of life & property BHEL/contractor's own persons/any other party caused due to acts & omissions of sub contractor or its employee during course of execution of work.
9. Compliance and payment of PF of sub contractor staff employed for the work shall be the exclusive responsibility of the sub contractor.
10. The sub contractor should follow the rules of Health Safety and Environment Management Programmed as per requirement of ISO-14001 and OHSAS-18001.
11. **Cleaning of work area after completion of work is responsibility of subcontractor.**
12. Warranty: Not applicable.
13. Any loss/damage/intentional damages of BHEL's Tools & Plant during the execution of contract will be liable for recovery of cost involved, from the bills of contractor.

**(B) RIGHT OF BHEL:**

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.

- i) To withdraw any portion of work and / or to restrict / alter quantum of work as indicated in the contract during the progress of work and get it done through other agencies to suit BHEL's commitment to its customer or in case BHEL decides to advance the date of completion due to other emergent reasons / BHEL's obligation to its customer.
- ii) To terminate the contract or get any part of the work done through other agency or deploy BHEL's own/ hired/ otherwise arranged resources, at the risk and cost of the contractor after due notice of a period of one week by BHEL, in the event of:-
  - i) Contractor's continued poor progress
  - ii) Withdrawal from or abandonment of the work before completion of the work
  - iii) Contractor's inability to progress the work for completion as stipulated in the contract
  - iv) Poor quality of work
  - v) Corrupt act of Contractor
  - vi) Insolvency of the Contractor
  - vii) Persistent disregard to the instructions of BHEL
  - viii) Assignment, transfer, sub-letting of contract without BHEL's written permission
  - ix) Non fulfillment of any contractual obligations
- iii) In the opinion of BHEL, the contractor is overloaded and is not in a position to execute the job as per required schedule.
- iv) To meet the expenses including BHEL overheads on the differential cost at 10%, over and above the Liquidated damages/penalties arising out of "Risk & Cost" as explained above. BHEL shall recover the amount from any money due from Contractor, or from any money due to the Contractor including Security Deposit, or by forfeiting any T&P or material of the contractor under this contract or any other contract of BHEL or by any other means or any combination thereof.
- v) To terminate the contract or to restrict the quantum of work and pay for the portion of work executed in case BHEL's contract with their customer are terminated for any reason, as per mutual agreement.
- vi) 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 10% on all such payments along with interest as defined elsewhere in the GCC.
- vii) 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.
- viii) In case the execution of works comes to a complete halt or reaches a stage wherein worthwhile works cannot be executed and there is no possibility of commencement of work for a period of not less than two months, due to reasons not attributable to the contractor and other than Force Majeure conditions, BHEL may consider permitting the contractor to de mobilize forthwith

and re mobilize at an agreed future date. Cost of such demobilization/remobilization shall be borne by contractor. ORC in such cases shall not be applicable for the period between the period of demobilization and re mobilization. The duration of contract/time extension shall accordingly get modified suitably. In case of any conflict, BHEL decision in this regard shall be final and binding on the contractor.

- ix) In the unforeseen event of inordinate delay in receipt of materials, drawings, fronts, etc, due to which inordinate discontinuity of work is anticipated, BHEL at its discretion may consider contractor's request to short close the contract in following cases:

The balance works cannot be done within a reasonable period of time as they are dependent on reasons not attributable to the contractor. At the point of requesting for short closure, contractor shall establish that he has completed all works possible of completion and he is not able to proceed with the balance works due to constraints beyond his control. In such a case, the estimated value of the unexecuted portion of work (or estimated value of services to be provided for carrying out milestone / stage payments) as mutually agreed, shall however be reduced from the final contract value.

**(C) TERMS & CONDITIONS FOR CONTRACTORS FOR DEPLOYMENT OF CONTRACT LABOURS UNDER SERVICE / WORKS CONTRACT**

**1. LABOUR LICENCE AND OTHER REQUIREMENTS**

- a. Contractor should possess Labor license in case of contractors working in BHEL, CFP Rudrapur and deploying 20 or more labors on any day, from the Appropriate Government (State/Central Govt.) for carrying out the various activities mentioned in the contract document.
- b. Labor license and other requirement in case of contractors NOT working in BHEL, CFP Rudrapur or has less than 20 workers on his rolls.
- c. The contractor should possess valid labor license issued by any licensing authority if he has deployed 20 or more workers in any organization.
- d. After being eligible to apply as above, if the contractor is awarded the contract then he should apply for Form -V from BHEL to obtain Labour License from Appropriate Government and submit the same within one month from the date of award of contract. Till then award will be treated as PROVISIONAL.

**2. ENTRY IN FACTORY PREMISES:** The contractor shall submit the following for entry of their workers in factory premises:

- a. The details of the worker proposed to be deployed.
- b. Police Verification Certificate by appropriate authority.
- c. Contractor has to prepare necessary gate pass & provide I-card to their employees.

**3. STATUTORY COMPLANCES**

1. Contractor shall be responsible for making payment of minimum wages & addition wages as BHEL HR circular no 008/2017 Dt:22.02.2017, through Bank/Cheque before 7th day of each month.
2. The payment of wages to the workers shall not be subject to payment against the bills by BHEL.
3. Contractor shall observe Provisions of the Factories Act in respect of working hours, holidays, rest intervals, leave and overtime to his employee.
4. Contractor should make remittances towards PF, ESI as per applicable rules, bonus and other allowances as applicable.
5. The responsibility of fulfilling liabilities under various labor laws such as workmen's compensation Act, industrial disputes Act, minimum wages Act, Payment of bonus act, factories act. & contract labor act etc, of the contractor.
6. The contractor should make necessary arrangement of welfare and health of contract labor at his own cost.

**4. PENALTY: if contractor fails to provide minimum manpower as per work loading then a penalty shall be applicable of Rs200 per person per day.**

**5. PRICE VARIATION CLAUSE: (During Original Contract Period and Extension if any)**

In order to take care of variation in Total Minimum Per Day Wages of all categories(minimum daily wages for Unskilled, Semiskilled & Skilled, PF,ESI, Bonus & other statutory requirements as per govt. rules) of workers/labours, Price Variation Formula as described herein shall be applicable

1. 80 % component of Contract Value shall be permitted to be adjusted for variation in Total Minimum Per Day Wage of 'LABOUR/WORKERS' during execution of work. The remaining 20% shall be treated as fixed component
2. Payment/recovery due to variation labour index during execution of work shall be determined on the basis of the following notional formula:

$$P = \frac{80\% \times R \times (X_n - X_o)}{X_o}$$

Where

P = Amount to be paid/recovered due to variation in Total Minimum Per Day Wage of 'LABOUR/WORKERS'

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

X<sub>n</sub> = Average of Revised Total Minimum Per Day Wages of 'LABOUR/WORKERS' for the billing month under consideration based on circulars issued by BHEL from time to time considering all India consumer price index.

X<sub>o</sub> = Average of Total Minimum Per Day Wages of 'LABOUR/WORKERS' as on the Base date (Reference taken from BHEL Office order 008/2017 Dt:22.02.2017, which is issued averagely on six month basis copy enclose

3. Base date shall be as on 22.02.2017(Date of BHEL circular no. 008/2017 Dt:22.02.2017,attached for reference).
4. Total Minimum Per Day Wage of 'LABOUR/WORKERS' applicable for the billing month and the base month shall be as per the authorized notification/circulars issued by the Principle Employer (BHEL) regarding prevailing (billing Month or base month) minimum total per day labour wage of LABOUR/WORKERS applicable in the project
5. The contractor will be required to raise separate bills for price variation payments on a monthly

basis along with the running bills irrespective of the fact whether any increase/decrease in the Total Minimum Per Day Wage of 'LABOUR/WORKERS' has taken place or not. In case there is delay in publication/issuance of authorized notification/circulars (final figure), the PVC bill shall be deferred till the issuance of the same

6. PVC shall be applicable for the entire original contract period plus the extended period. The total amount of PVC shall not exceed 5 % of the cumulatively executed contract value. Executed contract value for this purpose is exclusive of PVC, ORC, Supplementary/Additional Items and Extra works. However the Total Quantum of Price Variation amount payable/recoverable during delayed/extended period shall be regulated as follows
  - i. For the portion of backlog attributable to the contractor, the PVC will be based on the average of the Total Minimum Per Day Wage of 'LABOUR/WORKERS' for the period of the original contract period .
  - ii. For the period of Force Majeure, the PVC will be limited to Total Minimum per Day Wage of 'LABOUR/WORKERS' applicable at the beginning of the force majeure period.
  - iii. For the portion of backlog attributable to BHEL, the PVC will be as per the Total Minimum per Day Wage of 'LABOUR/WORKERS' applicable for the respective months

**7. INDEMNITY:**

The Contractor will have to indemnify BHEL against:

1. All claims for injury or damage to any person or property caused by his negligence of his employees whilst in BHEL premises.
2. Observance of Labor & Industrial Laws, including regular remittance to EPF and ESI.
3. All claims by way of compensation and all other types of unforeseen claims, which may arise in the period of contract.
4. The Contractor will accept liability for compensation in accordance with the provision of the Indian Worker's Compensation Act, 1948, amendments thereafter and or other law for the time being in force for personal injury caused to any workmen by accident arising out of and in the course of this contract.
5. The Contractor will indemnify the company against all payments by way of compensation or otherwise which the company may be called upon to make under the provisions of the said Acts to any workmen as aforesaid, and any cost incurred by the company in connection with any claim preferred by such workmen and or against all actions, claims and demand whatsoever in respect thereof or in respect of any loss, injury or damages whatsoever to any third person arising out or occasioned by the negligent, imperfect or improper performance of this contract by the Contractor, their workmen servants or agents.
6. The Company shall not be held liable for any loss, damage or compensation to third parties arising from or in relation to transport operation done by the bidder, such loss, damage or compensation shall be reimbursed by the Contractor to the company together with the costs incurred by the company on any legal proceedings pertaining there to.

**8. RECORDS TO BE MAINTAINED**

5.1 Firm shall maintain a Wages register showing the following details clearly, for each month, exclusively contract / area wise:

- I. Measure of work (or attendance) for which worker is entitled for wages.
- II. Wages paid,
- III. PF and ESI deduction from each Worker,
- IV. PF and ESI contribution by firm,
- V. whether monthly wages slip received,
- VI. 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.

5.2 The contractor should produce the records i.e. labor license, proof of payment of wages, P.F., ESIC etc as and when demanded by the BHEL Authorities. Firm shall furnish the following certificates duly applicable for the working year, monthly or yearly, as applicable.

- I. Returns & inspection certificates of PF and ESI.
- II. Monthly challans of PF and ESI.
- III. Annual statement for availed/paid leaves,
- IV. Bonus paid (Form-C & D)
- V. Service Tax Challans

**6.0 DISCIPLINE**

- 6.1 The Contractor shall be responsible for the discipline of his own labours deployed under the service contract. In case of any loss to the BHEL, CFP Rudrapur on account of indiscipline of contract lab our then such loss shall be assessed and recovered from the running bills of the contractor or from the security deposit.
- 6.2 The contractor shall not employ any person who has not completed his **18 years** of age and person who has attained **60 years** of age.
- 6.3 The contractor, on advice of authorized BHEL official, shall immediately remove any person employed by him, who may in the opinion of such authorized BHEL official is involved in misconduct. Such person shall not be re-employed by the contractor without prior permission.

**7.0 LEAVE WITH WAGES TO CONTRACT LABOUR:-**

Guidelines as per UP factories Rules 1950 should be strictly observed with regard to crediting / availment of leave. Register as prescribed under the said Rules should be maintained by the contractor.

**8.0 SAFETY OF OPERATION**

The total safety of operation is Contractor’s responsibility. Contractor should provide the following as per requirement, as applicable to each workman and any additional PPEs as required in executing the contract.

- 1. One set of dress in the beginning of the contract.
- 2. One safety helmet per annum.
- 3. One pair of shoe per annum along with two pairs of socks.

**For Uniform, Shoes & PPE contractor shall take RS 1175 per person per year while calculating estimation**

**9.0 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.

**10.0 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.

**11.0 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.”

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