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These Commercial conditions shall be construed as part of tender document and shall be read along with General Conditions of Contract. In case of any conflict or inconsistency between the general conditions and these commercial conditions, the later shall prevail.

Cl. No.	DESCRIPTION
1.0	PROJECT SYNOPSIS AND GENERAL INFORMATION
	Name of the Owner M/s NTPC Limited
	Address Ramagundam, Karimnagar district, Telangana State
	Project Name Telangana STPP, Phase-I (2X800 MW)
	Nearest Railway station Ramagundam RS. It is about 5 Km away from the plant which lies on the main Kazipet. Balarshah broad gauge line of South Central Railway.
	Nearest City/Town Godavarikhani, 3.0 km, E
	Maximum temperature recorded 41.7 deg. C
	Minimum temperature recorded 14.0 deg. C
2.0	SCOPE OF SERVICES
	Scope of services is as per technical specification no.IS-1-15-2003/001 Rev No. 00 dtd. 20.09.2016.
3.0	DEVIATIONS/CLARIFICATIONS
	The bidders shall submit all their queries/clarifications four (4) days before the due date after which it will be presumed that there are no queries/clarifications and BHEL will be under no obligation to reply queries/clarifications raised after the date.
4.0	COMPLETION PERIOD
4.1	Completion of drawing and drafting services within 12 months from the date of LOA. As per technical specification no. IS-1-15-2003/001 Rev No. 00 dtd. 20.09.2016. First submission of the GA drawings shall be completed within 60 days from the date of LOI. And complete engineering with customer approval of all the drawings shall be completed within 12 months from the date of LOI (except for as built drgs).
4.2	<u>Completion of As-Built drawings</u> - 2 months from date of providing inputs by BHEL after commissioning of mechanical system.
4.3	Consultant shall strictly adhere to above schedules. In case of non compliance to agreed schedules / milestones, it would be presumed that vendor / contractor is not fulfilling contractual obligations. BHEL reserves the right to take suitable action as specified elsewhere in the GCC.
5.0	EVALUATION CRITERIA
5.1	The tender shall be evaluated on the overall package basis and on 'total cost to BHEL' inclusive of all taxes and loading amount (if any), except service tax. Order shall be placed on the overall 'L1' bidder, based on opening of sealed bid / Reverse Auction. Offer will be considered incomplete and rejected if all items are not quoted.
6.0	TRANSFER, SUB-LETTING/ASSIGNMENT/SUB-CONTRACTING
6.1	Seller/Contractor shall not sublet, transfer or assign order/contract or any part thereof or interest therein or benefit or advantage thereof, without the prior consent in writing of

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	Purchaser. In the event of Seller/Contractor sub-letting, transferring or assigning order/contract or any part thereof or interest therein or benefit or advantage thereof without such permission, the Purchaser shall be entitled to cancel the Order/Contract and to purchase the stores from elsewhere at risk and costs of Seller/Contractor and the Seller/Contractor shall be liable for any loss or damage which Purchaser may sustain in consequence of or arising out of such risk purchase.
6.2	If Seller/Contractor is an individual or proprietary concern and the individual or the proprietor dies or the partnership is dissolved or substantially affected, then unless the Purchaser is satisfied that legal representative of individual seller/contractor or proprietor of proprietary concern and surviving partners of partnership firm are capable of carrying out and completing the order/contract, the Purchaser shall be entitled to cancel the order/ contract as to its incomplete portion and without being in any way liable to payment of any compensation to estate of seller/contractor and/or to surviving partners of seller's/contractor's firm on account of cancellation of the order/contract.
6.3	Decision of Purchaser that legal representatives of deceased seller/contractor or surviving partners of the seller's/contractor's firm cannot carry out and complete the order/contract shall be final and binding on the parties hereto.
6.4	Terms and Conditions shall not get affected in case of merger/amalgamation/takeover / re-arrangement etc.
7.0	CERTIFICATE TOWARDS COMPLETION
	The work under the scope of the contractor shall be deemed to have been Completed in all respects only when so certified by BHEL. The decision of BHEL in this regard shall be final and binding on the contractor.
8.0	EXTENSION OF TIME
8.1	If the completion of work as detailed in the scope of work gets delayed beyond the contract/ completion period, the contractor shall request for an extension of the contract and BHEL at its discretion may extend the contract.
8.2	Provisional extension of time pending 'delay analysis' for completion of total work or part thereof can be provided to the contractor. However, such time extension provided to Contractor without deduction of LD shall be subject to submission of Bank Guarantee (BG) of value equivalent to maximum LD amount by Contractor which shall be valid till completion of work and grant of final Time extension.
8.3	Based on the reviews jointly signed, the works balance at the end of original contract period less the backlog attributable to the contractor shall be quantified, and the number of months of Time extension required for completion of the same shall be jointly worked out. Within this period of Time extension, the contractor is bound to complete the portion of backlog attributable to the contractor. Any further Time extension or Time extensions at the end of the previous extension shall be worked out similarly.
8.4	However, if any Time extension is granted to the contractor to facilitate continuation of work and completion of contract, due to backlog attributable to the contractor alone, then it shall be without prejudice to the rights of BHEL to impose penalty/ LD for the delays attributable to the contractor, in addition to any other actions BHEL may wish to take at the risk and cost of contractor.
8.5	During the period of Time extension, contractor shall maintain their resources as per mutually agreed program.
9.0	MOBILIZATION ADVANCE/ INTEREST BEARING RECOVERABLE ADVANCE
	Not Applicable for this tender.
10.0	OVERHEADS AGAINST RISK & COST
	Referring clause no 2.7.3 & 2.7.5 of GCC, the overheads shall be 15% instead of 5% as mentioned in these clauses.

11.0	CONTRACT PRICE
11.1	The contractor shall quote their unit rates strictly in accordance with prescribed Price schedule. Taxes, duties, etc shall be applicable as per tender provision.
11.2	The unit rate quoted for various items of BOQ shall include all the stipulation mentioned in the tender documents and nothing extra over BOQ rates shall be payable
12.0	TAXES AND DUTIES
12.1	TDS under Income Tax, State Value Added Tax Act etc, if any, shall be deducted at prevailing rates on Gross Invoice Value from the Running Bills unless Exemption Certificate from the Appropriate Authority / Authorities is furnished
12.2	New taxes & duties, if imposed subsequent to due date of offer submission as per NIT & TCN, by statutory authority during contract period (including extension, if the same is not attributable to contractor), shall be reimbursed by BHEL on production of relevant supporting document to the satisfaction of BHEL. However, contractor shall obtain prior approval from BHEL before depositing new taxes and duties.
12.3	Any new tax structure (like Goods & Services Tax) as and when implemented by the Government shall become applicable in addition to or in lieu of existing tax structure.
13.0	SERVICE TAX
13.1	Service Tax: Service Tax along with Educational Cess to Service Tax as legally leviable & payable by you, vide Sec-65B (44), shall be paid by BHEL on your gross bill by BHEL against documentary evidence of Service tax payment (Service Tax remittance challan) made to concerned Service tax authorities corresponding to the tax claimed in the previous invoice / RAB. In case Service Tax is payable by BHEL under reverse charge mechanism vide Notification No. 30/2012-Service Tax dtd. 20-06-2012, shall be paid separately
13.2	The Contractor shall issue invoice complying with Rule 4A of the Service Tax Rules 1994. The invoice shall indicate the name, address and the registration number (PAN Based STC No.) of the Contractor; the name and address and the registration number (AAACB4146PST042 of BHEL) the description and value of taxable service provided; and the service tax payable thereon by the Contractor
13.3	Contractor shall furnish proof of Service Tax registration (ST-2) with Central Excise Division covering the Services. Registration should also bear endorsement for the premises from where the billing shall be done by contractor on BHEL for this Project
13.4	BHEL will not be held to be responsible for non-compliance of various Service Tax Rules, being framed from time to time.
13.5	Point of Taxation Rule, 2011 has come into operation from 01-04-2011. As per the rule Invoice must be generated within 30 days from the date of completion of service. In such case, the date of invoice will be the relevant date. However, if the invoice is not generated within 30 days as stated above, the date of completion of service shall be the relevant date
13.6	Contractors must take adequate care and cautions w.r.t "Point of Taxation Rule, 2012" as otherwise both the Contractors (for non-compliance) and BHEL (unable to take Credit on Input Services, resulting in extra fund flow in that particular month) will suffer.
13.7	Vendor shall comply with the Point of Taxation Rules, as contemplated under the Service Tax Rules. In case, the CENVAT credit could not be availed by BHEL within the time limit (statutory), due to delay in submission of invoice(s) or for any other reason(s) attributable to vendor(s)/contractor(s), liability towards the loss of such CENVAT credit shall be to the vendor(s)/contractor(s) account. TDS shall be made for IT as per Income Tax act.
13.8	Swachh Bharat Cess has to be indicated as separate line item in invoice.
14.0	INTERIM PAYMENT

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14.1	The contractor should submit their monthly on account bills with all the details required by BHEL on specified date every month covering progress of work in all respects and areas from the 25 th of previous calendar month to 24 th of the current month.
14.2	The RA bill, complete in all respects accompanied by BHEL engineer's certificate/ jointly signed measurement sheet will be paid, as indicated elsewhere, subject to its completeness & correctness in all respects. The measurement will be taken by BHEL engineer as per relevant clause of GCC and certify regarding the actual work executed in the measurement book and bills for work. All admissible recoveries/ adjustments etc shall be made from the interim payable amount of each RA bill on completion of item of work. Contractor shall make their own arrangement for making payment of impending labour wages and other dues in the meanwhile.
14.3	For all items of work as per approved BBU, interim payment shall be made as per following and is only for the purpose of progressive payment and should not be construed as total scope of work. The total scope of work is as detailed in this tender document and shall be completed by Contractor without making any reference to the following break-up.
14.3.1	<p>FOR MECHANICAL ENGINEERING SERVICES:</p> <p>a) 60% on pro-rata basis against submission of mechanical drawings etc. b) 30% on pro-rata basis against CAT-1 approval of drawings by customer. c) 5% on pro-rata basis against submission of as built drawings.</p> <p>Service tax and Swachh Bharat Cess & KKC shall be payable extra at actuals.</p> <p>Note: Vendors place as per work order shall not be considered as place of visit for discussion / approval of drawings. For e.g.: A vendor from twin cities of Hyderabad/Secundrabad cannot claim for visits made to TSGENCO/ Hyderabad. Similarly, a vendor from Bengaluru cannot claim for the visits made to BHEL/ISG office, a vendor from place of Customer consultant cannot claim for the visits made to Customer consultant office.</p> <p>2.22 RETENTION AMOUNT The clause no 2.22.1 of GCC shall be read as: 2.22.1 Retention Amount shall be 5% of executed contract value and shall be recovered at the rate of 5% from each Running Bill admitted, including PVC Bills. 2.22.2 Refund of Retention Amount shall be as follows: i) 100% of retention amount along with 'Final Bill'</p>
14.4	Contractor's RA bill, complete & correct in all respects, certified by BHEL engineer, shall be paid within 45 days of date receipt of bill subject to its completeness & correctness.
14.5	BHEL at its discretion may further split up the above percentages and effect payment to suit the site condition, cash flow requirement and according to the progress of work.
15.0	LIQUIDATED DAMAGES
	As per GCC for Services.
16.0	PVC
	Not Applicable
17.0	OVER RUN COMPENSATION
	Not Applicable
18.0	Quantity Variation:

	Not Applicable
19.0	CONFIDENTIALITY AGREEMENT: Bidder to maintain confidentiality of documents & information which shall be used during the execution of the Contract. The documents & information shall not be revealed to or shared with third party which shall not be in the business interest of BHEL.
20.0	PROGRESS OF WORK
20.1	During the course of work if the progress is found unsatisfactory, or if the target dates fixed from time to time for every milestone are to be advanced or in the opinion of BHEL, if it is found that the workmen employed are not sufficient, BHEL will induct required additional workmen, to improve the progress and recover them from contractor's bills, all charges incurred on this account including all expenses together with BHEL overheads.
20.2	Contractor shall submit a detailed monthly plan after discussion with BHEL engineer and the same has to be forwarded by the first week of the month (Working month or calendar month).
21.0	ARBITRATION & RECONCILIATION
	<p>All questions and disputes/difference relating to the meaning of the specifications, design, drawings and instructions and or interpretation of the contract or its clauses and as to the quality of workmanship or materials used on the work or as to any other question, claim, right, matter or thing whatsoever in any way arising out of or relating to the contract, designs, drawing, specifications, estimates, instructions, orders or these conditions or otherwise concerning the works or the execution or failure to execute the same whether arising during the progress of the work or after the completion or abandonment thereof shall be referred to the sole arbitration appointed by the Chairman & Managing Director/Executive Director (Incharge of the Unit) / General Manager (Incharge of the Unit) / concerned Additional General Manager of the Unit of BHEL.</p> <p>The cases referred to arbitration shall be other than those for which the decision of the Dy. General Manager / Sr. Manager / Project Manager/Manager/Sr. Engineer/Engineer, is expressed in the contract to be final and conclusive. The arbitrator to whom the matter is originally referred being unable to act for any reason, Chairman & Managing Director/Executive Director (Incharge of the Unit) / General Manager (Incharge of the Unit) / concerned Additional General Manager of the Unit of BHEL, shall appoint another person to act as sole arbitrator and such person shall be entitled to proceed with the reference from the stage at which it was left by his predecessor.</p> <p>Subject as aforesaid the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification or re-enactment thereof and the rules made there under and for the time being in force shall apply to the arbitration proceedings.</p> <p>It is a term of the contract that the party invoking arbitration shall specify the dispute or disputes including specifying the quantum of financial claim, if any, to be referred to arbitration under this clause together with the amount or amounts claimed in respect of each such dispute.</p> <p>The arbitrator (s) shall complete the entire arbitration and publish an award within a period of twelve months from the date the Tribunal enters upon the reference.</p> <p>The parties to this arbitration agreement may before or at the time of invoking the Arbitration clause, may indicate in writing for FAST TRACK PROCEDURE wherein the</p>

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	<p>Arbitrator shall pass an award within six months from the date the Tribunal enters upon the reference and to that effect, the Tribunal may dispense with any technical formalities and conduct the proceedings without oral hearing, subject to acceptance of such Fast Track procedure by other party.</p> <p>The work under the Contract shall continue during the arbitration proceeding and no payment due to the Contractor shall be withheld on account of such proceedings.</p> <p>The Arbitrator shall be deemed to have entered on the reference on the date one party issues notice to other party invoking arbitration clause under this. The Venue of arbitration shall be Bangalore and the language will be English only. The award of the arbitrator shall be final, conclusive and binding all parties to this contract. “</p>
22.0	DEPARTMENTAL CHARGES
	Any material or service to be issued / rendered by the BHEL (unless specifically stipulated to be free of cost / cost recoverable basis) to the contractor, 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.
23.0	COMPLIANCE TO CVC GUIDELINES FOR SELECTION AND EMPLOYMENT OF CONSULTANTS
23.1	The tender/contract shall be governed by CVC circular no 08/06/11 dt 24.06.2011 (copy enclosed).
23.2	The offers of the parties already available with BHEL-ISG for other tenders shall also be subjected to conditions mentioned in this circular. Only one order, either consultation or supplies/services, whichever is finalized earlier, shall be placed on the such bidder and the remaining offer(s) shall not be considered for further processing.
23.3	If any party, covered or not covered under clause 23.2, is awarded this contract, such parties shall not submit offers to BHEL-ISG against any future open tender. If such offers are received, the same shall be rejected.
24.0	<p>ETHICS IN BUSINESS DEALINGS:</p> <p>In order to protect its commercial interests, BHEL may take action against suppliers/ contractors by way of suspension of business dealings with them, who either fail to perform or are in default without any reasonable cause, cause loss of business/ money/ reputation, indulge in malpractices, cheating, bribery, fraud or any other misconduct or formation of cartels so as to influence the bidding process or influence the price as per the guidelines for Suspension of Business Dealings with Suppliers / Contractors available at www.bhel.com under “supplier registration page”.</p>
25.0	<p>FRAUD PREVENTION POLICY:</p> <p>The Bidder along with its associate/collaborators/sub-contractors/sub vendors/ Consultants/ service providers shall strictly adhere to BHEL Fraud Prevention Policy displayed on BHEL website http://www.bhel.com and shall immediately bring to the notice of BHEL Management about any fraud or suspected fraud as soon as it comes to their notice.</p>