

GENERAL CONDITIONS OF CONTRACT (GCC) For Services

Bharat Heavy Electricals Limited
(A Govt. of India Undertaking)
Industrial Systems Group
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CHAPTER-1**1. GENERAL INSTRUCTIONS TO BIDDERS****1.1. DESPATCH INSTRUCTIONS**

- i) The General Conditions of Contract form part of the Tender specifications. The information furnished shall be complete by itself. The bidder is required to furnish all the details and other documents as required in the following pages
- ii) Bidders are advised to study all the tender documents carefully. Any submission of tender by the bidder shall be deemed to have been done after careful study and examination of the tender documents and with the full understanding of the implications thereof. Should the bidders have any doubt about the meaning of any portion of the Tender Specification or find discrepancies or omissions in the drawings or the tender documents issued are incomplete or shall require clarification on any of the technical aspect, the scope of work etc., he shall at once, contact the authority inviting the tender well in time (so as not to affect last date of submission) for clarification before the submission of the tender. Bidder's request for clarifications shall be with reference to Sections and Clause numbers given in the tender documents. The specifications and terms and conditions shall be deemed to have been accepted by the bidder in his offer. Non compliance with any of the requirements and instructions of the tender enquiry may result in the rejection of the tender.
- iii) Integrity pact (IP) shall be applicable for all tenders / contracts if indicated in NIT. This integrity pact shall be issued as part of the Tender documents and shall be returned by the bidder along with Techno-commercial bid duly filled, signed and stamped by the authorized signatory who signs the bid. Only those vendors / bidders who have entered into such an IP with BHEL shall be considered qualified to participate in the bidding. Entering into this pact shall be a preliminary qualification.

1.2. SUBMISSION OF TENDERS

The bidders must submit their tenders to Officer inviting tender as per instructions in the Notice Inviting Tender (NIT).

1.2.1 For E-Procurement Tenders

- i. **All documents to be submitted along with the offer shall be signed & stamped or digitally signed by the authorized signatory of the bidder as a token of acceptance thereof.**
- ii. Tender opening shall be done online through our E-Procurement portal and bidder can register their attendance for the same by login in to our E-Procurement Portal.
- iii. Bidders to fill and submit forms as per Annexure-I.

1.2.2 For Submission offers in Hard Cover

- i. Tenders submitted by post shall be sent by 'REGISTERED POST ACKNOWLEDGEMENT DUE /by COURIER' and shall be posted with due allowance for any postal/courier delays. BHEL takes no responsibility for delay, loss or non-receipt of tenders sent by post/courier. **The Tenders received after the specified time of their submission are treated as 'Late Tenders' and shall not be considered under any circumstances.** Offers received by Fax/Email/ internet shall be considered as per terms of NIT.

- ii. **All pages of the tender documents shall be duly signed, stamped and submitted along with the offer as a token of acceptance thereof.**
- iii. Tenders shall be opened by authorized Officer of BHEL at his office at the time and date as specified in the NIT, in the presence of such of those bidders or their authorized representatives who may be present.
- iv. Bidders whose bids are found techno commercially qualified shall be informed the date and time of opening of the Price Bids and such Bidders may depute their representatives to witness the opening of the price bids. BHEL's decision in this regard shall be final and binding.
- v. Before submission of Offer, the bidders are advised to inspect the site of work and the environments and be well acquainted with the actual working and other prevalent conditions, facilities available, position of material and labor, means of transport and access to Site, accommodation, etc. No claim will be entertained later on the grounds of lack of knowledge of any of these conditions.
- vi. Bidders to fill and submit forms as per Annexure-I.

1.3. LANGUAGE

- 1.3.1 The bidder shall submit offer & quote rates in English language and international numerals. These rates shall be entered in figures as well as in words. For the purpose of the tenders, the metric system of units shall be used.
- 1.3.2 All entries in the tender shall either be typed or written legibly in ink. Erasing and over-writing is not permitted and may render such tenders liable for rejection. All cancellations and insertions shall be duly attested by the bidder.

1.4. PRICE DISCREPANCY

- 1.4.1 **Price Bid opening:** In case of price bid opening without resorting to Reverse Auction, if there are differences between the rates given by the bidder in words and figures or in amount worked out by him, the following procedure for evaluation and award shall be followed:
 - i. If, there is discrepancy between the unit price and the total price (which is obtained by multiplying the unit price by the quantity) quoted by the vendor, the unit price shall prevail and the total price corrected accordingly, unless in the opinion of the purchaser there is an obvious misplacement of the decimal point in the unit price, in which case the total price as quoted shall govern and the unit price corrected accordingly.
 - ii. If there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected; and
 - iii. If there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject of (i) and (ii) above.
 - iv. In case of omission in quoting any rate for one or more items, the evaluation shall be done considering the highest quoted rate obtained against the respective items by other bidders for the subject tender. If the bidder becomes L-1, the notional rates for the omission items shall be the lowest rates quoted for the respective items by the other bidders against the respective omission items for the subject job and the Total quoted price (loaded for omissions)' shall be arrived at. However the overall price

remaining the same as quoted originally, the rates for all the items in the Total quoted price (loaded for omissions)' shall be reduced item wise in proportion to the ratio of 'Original' total price and the Total quoted price (loaded for omissions)".

- v. The 'Final Total Amount' shall be arrived at after considering the amounts worked out in line with 'i' to 'iv' above.

1.4.2 **Reverse Auction:** In case of Reverse Auction, the successful bidder shall undertake to execute the work as per overall price offered by him during the Reverse Auction process.

1.5. QUALIFICATION OF BIDDERS

- i. Only bidders who have previous experience in the work of the nature and description detailed In the Notice Inviting Tender and/or tender specification are expected to quote for this work duly detailing their experience along with offer.
- ii. Offers from bidders who do not have proven and established experience in the field shall not be considered.
- iii. Offers from bidders who are under suspension (put on hold by BHEL ISG) or banned (by any Unit/Region/Division of BHEL) shall not be considered.
- iv. Offers from bidders who do not comply with the latest guidelines of Ministry/Commissions of Govt. of India shall not be considered.

1.6. EVALUATION OF BIDS

- i) Technical Bids submitted by the bidder will be opened first and evaluated for fulfilling the Pre Qualification criteria and other conditions in NIT/Tender documents, based on documentary evidences submitted along with the offer
- ii) In case the same qualifying experience is claimed by more than one agency, then the agency who has executed the work as per documentary evidence submitted shall only be qualified. Scope of qualifying work should be totally with the agency who has executed and in case it is only labor + consumables without T&P (TOOLS & PLANTS), then the responsibility of execution is assigned to the first agency and not to the agency who has executed only as labor supply contractor. Further, BHEL reserves the right to ask for further proofs including submission of TDS certificates for the said job
- iii) In case the qualifying experience is claimed by private organizations based on Work Order and completion certificates from another private organization, BHEL reserves the right to ask for further proofs including submission of TDS certificates for the said job
- iv) Assessing Bidder Capacity for executing the current tender shall be as per Notice Inviting Tender
- v) Price Bids of shortlisted bidders shall only be opened either through the conventional price bid opening or through electronic Reverse Auction, at the discretion of BHEL
- vi) Price Bids of unqualified bidders shall not be opened. Reasons for rejection shall be intimated in due course after issue of LOI/LOA to successful bidder and receipt of unqualified acceptance from the successful bidder
- vii) Bidders are advised to also refer to clause no 2.9.4 regarding evaluation of their performance in ongoing projects for the current tender

1.7. DATA TO BE FURNISHED ALONG WITH THE OFFER

Full information shall be given by the bidder in respect of the following. Non-submission of this information may lead to rejection of the offer.

- i) **INCOME TAX PERMANENT ACCOUNT NUMBER**

Certified copies of Permanent Account Numbers as allotted by Income Tax

Department for the Company/ Firm/ Individual Partners, etc. shall be furnished along with tender.

ii) **ORGANISATION CHART**

The organization chart of the bidder's organization, including the names, addresses and contact information of the Directors/Partners shall be furnished along with the offer.

iii) An attested copy of the Power of Attorney, in case the tender is signed by an individual other than the sole proprietor

iv) **IN CASE OF INDIVIDUAL BIDDER :**

His/her full name, address and place & nature of business.

v) **IN CASE OF PARTNERSHIP FIRM :**

The names of all the partners and their addresses, A copy of the partnership deed/instrument of partnership duly certified by the Notary Public shall be enclosed.

vi) **IN CASE OF COMPANIES:**

a. Date and place of registration including date of commencement certificate in case of Public Companies (certified copies of Memorandum and articles of Association are also to be furnished).

b. Nature of business carried on by the Company and the provisions of the Memorandum relating thereof.

1.8. AUTHORISATION AND ATTESTATION

Tenders shall be signed by a person duly authorized/empowered to do so. An attested copy of the Power of Attorney, in case the tender is signed by an individual other than the sole proprietor shall be submitted along with the tenders.

1.9. EARNEST MONEY DEPOSIT

1.9.1 Every tender must be accompanied by the prescribed amount of Earnest Money Deposit (EMD) in the manner described herein.

i) EMD shall be furnished along with the offer in full as per the amount indicated in the "Commercial Conditions of Contract (CCC)/ NIT.

ii) **Modes of deposit:**

a) Electronic fund transfer credited in BHEL account (before tender opening). This is the preferred mode of EMD deposit.

b) Banker's cheque/ Pay order/ Demand draft, in favour of BHEL (along with offer). The same shall be in favour of **"Bharat Heavy Electricals Limited"** and payable at par at Bangalore.

The bank account details for Electronic Fund Transfer/ Cash deposit are as under:

Name of Site/ division	Name of Bank	Branch Address	Phone No. of the Bank	Branch Code	Branch IFSC Code	Account No.	Nature of account
BHEL ISG	ICICI BANK LIMITED	ICICI BANK TOWER, # 1, COMMISSARIAT ROAD, BANGALORE - 560025	022-28308110	0002	ICIC0000002	000205003783	COLL A/C

In case total EMD amount is more than Rs. 20 Lakh, **the amount in excess of Rs. 20 Lakh** may be submitted in the form of **Bank Guarantee** from BHEL Consortium banks. The Bank Guarantee in such cases shall be valid for at least six months and as per format in '**Form F-9 (Rev 0) of Annexure-I**'.

- iii) No other form of EMD remittance shall be acceptable to BHEL
- iv) **Note: 'One time EMD' is not acceptable. Bidders who have earlier submitted the One time EMD to BHEL/ISG are required to deposit/ submit "Fresh EMD against this tender" in the above mentioned methods.**

1.9.2 EMD by the bidder will be forfeited as per Tender Documents if

- i) After opening the tender and within the offer validity period, the bidder revokes his tender or makes any modification in his tender which is not acceptable to BHEL.
- ii) The Contractor fails to deposit the required Security deposit or commence the work within the period as per LOA/ Contract.

1.9.3 EMD shall not carry any interest.

1.9.4 **In the case of unsuccessful bidders, the Earnest Money will be refunded to them within fifteen days time after acceptance of award of contract by successful bidder.**

1.9.5 EMD by the bidder shall be withheld in case any action on the bidder is envisaged under the provision of extant "Guidelines on Suspension of business dealings with suppliers/contractors" and forfeited /released based on the action as determined under these guidelines.

1.10. SECURITY DEPOSIT

1.10.1 Upon acceptance of Tender, the successful Bidder should deposit the required amount of Security Deposit for satisfactory completion of work. **The total amount of Security Deposit will be 5% of the contract value.** EMD of the successful bidder shall be converted and adjusted towards the required amount of Security Deposit.

1.10.2 Modes of deposit:

The balance amount to make up the required Security Deposit of 5% of the contract value shall be accepted in the following forms:

- i) Cash (as permissible under the extant Income Tax Act)
- ii) Local cheques of Scheduled Banks (subject to realization)/ Pay Order/ Demand Draft/ Electronic Fund Transfer in favour of BHEL.
- iii) Bank Guarantee from Consortium banks/ Public Financial Institutions as defined in the Companies Act. The Bank Guarantee format should have the approval of BHEL
- iv) Fixed Deposit Receipt issued by Scheduled Banks/ Public Financial Institutions as defined in the Companies Act (FDR should be in the name of the Contractor, a/c BHEL)
- v) Securities available from Indian Post offices such as National Savings Certificates, Kisan Vikas Patras etc. (held in the name of Contractor furnishing the security and duly endorsed/ hypothecated/ pledged, as applicable, in favor of BHEL)

(Note: Acceptance of Security Deposit against Sl. No. iv) and v) above will be subject to hypothecation or endorsement on the documents in favor of BHEL. 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).

- 1.10.3 **At least 50% of the required Security Deposit, including the EMD amount, should be deposited before start of the work.** Balance of the Security Deposit shall be recovered by deducting 10% of the gross amount progressively from each of the running bills of the Contractor till the total amount of the required Security Deposit is collected.
- 1.10.4 The recoveries made from running bills (cash deduction towards balance SD amount) can be released against submission of equivalent Bank Guarantee in acceptable form, but only once, before completion of work.
- 1.10.5 The Security Deposit shall not carry any interest.
- 1.10.6 In case the value of work exceeds / reduces from the awarded / accepted value, the Security Deposit shall be correspondingly enhanced / reduced as given below:
- The enhanced part of the Security Deposit shall be immediately deposited by the Contractor or adjusted against payments due to the Contractor.
 - There will be no reduction in Security Deposit value in case of variation in contract value up to the lower limit specified in Quantity variation clause. In case of reduction of contract value beyond the lower limit specified in Quantity Variation clause, then the Security Deposit shall be re adjusted in proportion.
 - In case of reduction, the reduced Contract value shall be certified by BHEL Construction Manager after ascertaining / freezing of BOQ / Drawings from the Design / Engineering Centre. The reduced Security Deposit value can only be considered after taking into account the adequacy of the securities held by BHEL to meet the liabilities of the contractor for the contract, and the performance of the contract in general. **In such cases, the revised value of Security Deposit shall be worked out only after execution of not less than the lower limit of the revised scope of work/contract value as per quantity variation clause, and as certified by Resident Manager. This reduction in value of Security Deposit shall not entitle the contractor to any amendment of Contract and shall be operated at the discretion of BHEL.**
 - Contract value for the purpose of operating the reduced/increased value of Security Deposit due to Quantity Variation, shall be exclusive of Price Variation Clause, Over Run Compensation and Extra works done on man-day rates.
- 1.10.7 The Bank Guarantee towards Security Deposit shall be valid initially upto the Guarantee period (plus 3 months claim period) as stipulated in the Letter of Intent/Award and the same shall be kept valid by proper renewal till the BHEL's acceptance of Final Bills of the Contractor.
- 1.10.8 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 fulfill 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 other contracts with BHEL.

1.11. RETURN OF SECURITY DEPOSIT

Security Deposit shall be refunded/ Bank Guarantee(s) will be released to the Contractor along with the 'Final Bill' after deducting all expenses/ other amounts due to BHEL under the contract / other contracts entered into with them by BHEL upon fulfillment of contractual obligations as per terms of the contract.

1.12. BANK GUARANTEES

Where ever Bank Guarantees are to be furnished/ submitted by the contractor, the

following shall be complied with

- i) Bank Guarantees shall be from Consortium banks/ Public Financial Institutions as defined in the Companies Act.
- ii) The Bank Guarantees shall be as per prescribed formats in Annexure-I.
- iii) It is the responsibility of the bidder to get the Bank Guarantees revalidated/extended for the required period (subject to a minimum period of six months), as per the advice of BHEL Site Engineer /Resident Manager. BHEL shall not be liable for issue of any reminders regarding expiry of the Bank Guarantees.
- iv) In case the Bank Guarantees are not extended before the expiry date, BHEL reserves the right to invoke the same by informing the concerned Bank in writing, without any advance notice/ communication to the concerned bidder. Bidders to note that any corrections to Bank Guarantees shall be done by the issuing Bank, only through an amendment in an appropriate non judicial stamp paper. **The Original Bank Guarantee shall be sent directly by the Bank to BHEL under Registered Post (Acknowledgement Due), addressed to AGM/ Head-MM of ISG, Bangalore.**

1.13. VALIDITY OF OFFER

The rates in the Tender shall be kept open for acceptance for a minimum period of **THREE MONTHS** from latest due date of offer submission (including extension, if any). In case BHEL (Bharat Heavy Electricals Ltd) calls for negotiations, such negotiations shall not amount to cancellation or withdrawal of the original offer which shall be binding on the bidders.

1.14. EXECUTION OF CONTRACT AGREEMENT

The successful bidder's responsibility under this contract commences from the date of issue of the 'Letter of Award' by Bharat Heavy Electricals Limited. The Bidder shall submit an unqualified acceptance to the 'Letter of Award' within the period stipulated therein.

The successful bidder shall be required to execute an agreement in the prescribed form, with BHEL, within a reasonable time after the acceptance of the Letter of Intent/Award, and in any case before releasing the first running bill. The contract agreement shall be signed by a person duly authorized / empowered by the bidder. The expenses for preparation of agreement document shall be borne by BHEL.

1.15. REJECTION OF TENDER AND OTHER CONDITIONS

- 1.15.1 The acceptance of tender will rest with BHEL which does not bind itself to accept the lowest tender or any tender and reserves to itself full rights for the following without assigning any reasons whatsoever:
 - a) To reject any or all of the tenders.
 - b) To split up the work amongst two or more bidders as per NIT
 - c) To award the work in part if specified in NIT
 - d) In case of either of the contingencies stated in (b) and (c) above, the time for completion as stipulated in the tender shall be applicable.
- 1.15.2 Conditional tenders, unsolicited tenders and tenders which are incomplete or not in the form specified or defective or have been materially altered or not in accordance with the tender conditions, specifications etc., are liable to be rejected.
- 1.15.3 Tenders are liable to be rejected in case of unsatisfactory performance of the bidder with BHEL, or bidder under suspension (put on hold by BHEL ISG) or banned by any unit / region / division of BHEL or bidders who do not comply with the latest guidelines of

- Ministry/Commissions of Govt. of India. BHEL reserves the right to reject a bidder in case it is observed that they are overloaded and may not be in a position to execute this job as per the required schedule. The decision of BHEL will be final in this regard.
- 1.15.4 If a bidder who is a proprietor expires after the submission of his tender or after the acceptance of his tender, BHEL may at their discretion, cancel such tender. If a partner of a firm expires after the submission of tender or after the acceptance of the tender, BHEL may then cancel such tender at their discretion, unless the firm retains its character.
- 1.15.5 BHEL will not be bound by any Power of Attorney granted by changes in the composition of the firm made subsequent to the execution of the contract. They may, however, recognize such power of Attorney and changes after obtaining proper legal advice, the cost of which will be chargeable to the contractor concerned.
- 1.15.6 If the bidder deliberately gives wrong information in his tender, BHEL reserves the right to reject such tender at any stage or to cancel the contract if awarded and forfeit the Earnest Money / Security Deposit / any other money due.
- 1.15.7 Canvassing in any form in connection with the tenders submitted by the Bidder shall make his offer liable to rejection.
- 1.15.8 In case the Proprietor, Partner or Director of the Company/Firm submitting the Tender, has any relative or **relation employed in BHEL**, the authority inviting the Tender shall be informed of the fact as per specified format in '**Form F-5 (Rev 0) of Annexure-I**', along with the Offer. **Failing to do so, BHEL may, at its sole discretion, reject the tender or cancel the contract and forfeit the Earnest Money/Security Deposit.**
- 1.15.9 **The successful bidder should not sub-contract part or complete work detailed in the tender specification undertaken by him without written permission of BHEL's General Manager. General Manager at his discretion may/ may not give such permission. The bidder is solely responsible to BHEL for the work awarded to him.**
- 1.15.10 The tender submitted by a techno-commercially qualified bidder shall become the property of BHEL who shall be under no obligation to return the same to the bidder. However unopened price bids and late tenders shall be returned to the bidders
- 1.15.11 **Unsolicited discount received after the due date and time of Bid Submission shall not be considered for evaluation.**
- 1.15.12 BHEL shall not be liable for any expenses incurred by the bidder in the preparation of the tender irrespective of whether the tender is accepted or not.

CHAPTER-2**2.1. DEFINITIONS:**

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

- a. BHEL shall mean Bharat Heavy Electricals Limited, a company registered under Indian Companies Act 1956, with its Registered Office at BHEL HOUSE, SIRI FORT, NEW DELHI - 110 049, or its Industrial Systems Group office, Bangalore or its Site Engineers or other employees authorized to deal with any matters with which these persons are concerned on its behalf.
- b. "EXECUTIVE DIRECTOR" or "GENERAL MANAGER (In-charge)" or "GENERAL MANAGER" shall mean the Officer in Administrative charge of ISG, Bangalore.
- c. "COMPETENT AUTHORITY" shall mean Executive Director or General Manager (In - charge) or General Manager or BHEL Officers who are empowered to act on behalf of the Executive Director or General Manager (In-charge) or General Manager of BHEL.
- d. "ENGINEER" or "ENGINEER IN CHARGE" shall mean an Officer of BHEL as may be duly appointed and authorized by BHEL to act as "Engineer" on his behalf for the purpose of the Contract, to perform the duty set forth in this General Conditions of Contract and other Contract documents. The term also includes 'RESIDENT MANAGER` or 'SITE INCHARGE` as well as Officers at Site or at the Headquarters at Bangalore.
- e. "SITE" shall mean the places or place at which the plants/equipments are to be erected and services are to be performed as per the specification of this Tender.
- f. "CLIENT OF BHEL" or "CUSTOMER" shall mean the project authorities with whom BHEL has entered into a contract for supply of equipments or provision of services.
- g. "CONTRACTOR" shall mean the successful Bidder/Bidder who is awarded the Contract and shall include the Contractor's successors, heirs, executors, administrators and permitted assigns.
- h. "CONTRACT" or "CONTRACT DOCUMENT" shall mean and include the Agreement of Work Order, the accepted appendices of Rates, Schedules, Quantities if any, "General Conditions of Contract (GCC)", "Commercial Conditions of Contract (CCC)", Instructions to the Bidders, Drawings, Technical Specifications, the Special Specifications if any, the Tender documents, subsequent amendments mutually agreed upon and the Letter of Intent/Award/Acceptance issued by BHEL. Any conditions or terms stipulated by the contractor in the tender documents or subsequent letters shall not form part of the contract unless, specifically accepted in writing by BHEL in the Letter of Award and incorporated in the agreement.
- i. "GENERAL CONDITIONS OF CONTRACT" shall mean the 'Instructions to Bidders` and 'General Conditions of Contract` pertaining to the work for which above tenders have been called for.
- j. "TENDER SPECIFICATIONS" or "TENDER" or "TENDER DOCUMENTS" shall mean "General Conditions Contract (GCC)", "Commercial Conditions of Contract (CCC)", Price Bid, Technical Specifications, Appendices, Annexures, Corrigendums, Amendments, Forms, procedures, etc and drawings/ documents pertaining to the work for which the bidders are required to submit their offers. Individual specification number will be assigned to each Tender Specification.
- k. "LETTER OF AWARD" shall mean the intimation by a Letter/Fax/email to the bidder that the tender has been accepted in accordance with provisions contained in the letter. The responsibility of the contractor commences from the date of issue of this letter and all terms and conditions of the contract are applicable from this date.

- l. "COMPLETION TIME" shall mean the period by 'date/month' specified in the 'Letter of Intent/Award' or date mutually agreed upon for handing over of the intended scope of work, the erected equipment/plant which are found acceptable by the Engineer, being of required standard and conforming to the specifications of the Contract.
- m. "PLANT" shall mean and connote the entire assembly of the plant and equipments covered by the contract.
- n. "EQUIPMENT" shall mean equipment, machineries, materials, structural, electricals and other components of the plant covered by the contract.
- o. "TESTS" shall mean and include such test or tests to be carried out on the part of the contractor as are prescribed in the contract or considered necessary by BHEL, in order to ascertain the quality, workmanship, performance and efficiency of the contractor or part thereof.
- p. "APPROVED", "DIRECTED" or "INSTRUCTED" shall mean approved, directed or instructed by BHEL.
- q. "WORK or CONTRACT WORK" shall mean and include supply of all categories of labor, specified consumables, tools and tackles and Plants required for complete and satisfactory site transportation, handling, stacking, storing, erecting, testing and commissioning of the equipments to the entire satisfaction of BHEL.
- r. "SINGULAR AND PLURALS ETC" words carrying singular number shall also include plural and vice versa, where the context so requires. Words imparting the masculine Gender shall be taken to include the feminine Gender and words imparting persons shall include any Company or Associations or Body of Individuals, whether incorporated or not.
- s. "HEADING" - The heading in these General Conditions are solely for the purpose of facilitating reference and shall not be deemed to be part thereof or be taken as instructions thereof or of the contract.
- t. "MONTH" shall mean calendar month unless otherwise specified in the Tender.
- u. 'Day' or 'Days' unless herein otherwise expressly defined shall mean calendar day or days of twenty four (24) hours each. A week shall mean continuous period of seven (7) days.
- v. "COMMISSIONING" shall mean the synchronization testing and achieving functional operation of the Equipment with associated system after all initial adjustments, trials, cleaning, re-assembly required at site if any, have been completed and Equipment with associated system is ready for taking into service.
- w. "WRITING" shall include any manuscript type written or hand written or printed statement or electronically transmitted messages, under the signature or seal or transmittal of BHEL.
- x. "TEMPORARY WORK" shall mean all temporary works for every kind required in or for the execution, completion, maintenance of the work.
- y. 'CONTRACT PRICE1 or 'CONTRACT VALUE1 shall mean the sum mentioned in the
- z. LOI/LOA/Contract Agreement subject to such additions thereto or deductions there from as may be made under provisions hereinafter contained "COMMENCEMENT DATE" or "START DATE" shall mean the commencement/start of work at Site as per terms defined in the Tender.
- aa. "SHORT CLOSING" or "FORE CLOSING" of Contract shall mean the premature closing of Contract, for reasons not attributable to the contractor and mutually agreed between BHEL and the contractor.
- bb. "TERMINATION" of Contract shall mean the premature closing of contract due to reasons as mentioned in the contract.
- cc. "DE MOBILISATION" shall mean the temporary winding up of Site establishment by

Contractor leading to suspension of works temporarily for reasons not attributable to the contractor.

- dd. "RE MOBILISATION" shall mean the resumption of work with all resources required for the work after demobilization.

2.2. LAW GOVERNING THE CONTRACT AND COURT JURISDICTION

The contract shall be governed by the Law for the time being in force in the Republic of India. Subject to Clause 2.21.1 of this Contract, the Civil Court having original Civil Jurisdiction at Bangalore shall alone have exclusive jurisdiction in regard to all claims in respect of the Contract. No other Civil Court shall have jurisdiction in case of any dispute, under this contract.

2.3. ISSUE OF NOTICE

2.3.1 Service of notice on contractor

Any notice to be given to the Contractor under the terms of the contract shall be served by sending the same **by Registered Post/ Speed Post** to or leaving the same at the Contractor's last known address of the principal place of business (or in the event of the contractor being a company, to or at its Registered Office). In case of change of address, the notice shall be served at changed address as notified in writing by the Contractor to BHEL. Such posting or leaving of the notice shall be deemed to be good service of such notice and the time mentioned to the condition for doing any act after notice shall be reckoned from the date so mentioned in such notice.

2.3.2 Service of notice on BHEL

Any notice to be given to BHEL in-charge/Region under the terms of the Contract shall be served by sending the same by post to or leaving the same at BHEL address or changed address as notified in writing by BHEL to the Contractor.

2.4. USE OF LAND

No land belonging to BHEL or their Customer under temporary possession of BHEL shall be occupied by the contractor without written permission of BHEL.

2.5. COMMENCEMENT OF WORK

- 2.5.1 The contractor shall commence the work as per the time indicated in the Letter of Intent/ Award from BHEL and shall proceed with the same with due expedition without delay.

- 2.5.2 If the contractor fails to start the work within stipulated time as per LOI or as intimated by BHEL, then BHEL at its sole discretion will have the right to cancel the contract. The Earnest Money and/or Security Deposit with BHEL will stand forfeited without any further reference to him without prejudice to any and all of BHEL's other rights and remedies in this regard.

- 2.5.3 All the work shall be carried out under the direction and to the satisfaction of BHEL.

2.6. MEASUREMENT OF WORK AND MODE OF PAYMENT:

- 2.6.1 All payments due to the contractors shall be made by e-mode only, unless otherwise found operationally difficult for reasons to be recorded in writing.

- 2.6.2 For progress running bill payments: The Contractor shall present detailed measurement sheets in triplicate, duly indicating all relevant details based on technical documents and connected drawings for work done during the month/period under various categories in line with terms of payment as per contract. The basis of arriving at the quantities, weights shall be relevant documents and drawings released by BHEL. These

- measurement sheets shall be prepared jointly with BHEL Engineers and signed by both the parties.
- 2.6.3 These measurement sheets will be checked by BHEL Engineer and quantities and percent are eligible for payment under various groups shall be decided by BHEL Engineer. The abstract of quantities and percentage so arrived at based on the terms of payment shall be entered in Measurement Book and signed by both the parties.
- 2.6.4 Based on the above quantities, contractor shall prepare the bills in prescribed format and work out the financial value. These will be entered in Measurement Book and signed by both the parties. Payment shall be made by BHEL after effecting the recoveries due from the contractor.
- 2.6.5 All recoveries due from the contractor for the month/period shall be effected in full from the corresponding running bills unless specific approval from the competent authorities is obtained to the contrary.
- 2.6.6 Measurement shall be restricted to that portion of work for which it is required to ascertain the financial liability of BHEL under this contract.
- 2.6.7 The measurement shall be taken jointly by persons duly authorized on the part of BHEL and by the Contractor.
- 2.6.8 The Contractor shall bear the expenditure involved if any, in making the measurements and testing of materials to be used/ used in the work. The contractor shall, without extra charges, provide all the assistance with appliances and other things necessary for measurement.
- 2.6.9 If at any time due to any reason whatsoever, it becomes necessary to re-measure the work done in full or in part, the expenses towards such re measurements shall be borne by the contractor unless such re measurements are warranted solely for reasons not attributable to contractor.
- 2.6.10 Passing of bills covered by such measurements does not amount to acceptance of the completion of the work measured. Any left out work has to be completed, if pointed out at a later date by BHEL.
- 2.6.11 Final measurement bill shall be prepared in the final bill format prescribed for the purpose based on the certificate issued by BHEL Engineer that entire works as stipulated in tender specification has been completed in all respects to the entire satisfaction of BHEL. Contractor shall give unqualified "No Claim" Certificate. All the tools and tackles loaned to him should be returned in satisfactory condition to BHEL. The abstract of final quantities and financial values shall also be entered in the Measurement Books and signed by both parties to the contract. The Final Bill shall be prepared and paid within a reasonable time after completion of work.

2.7. RIGHTS 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.
- 2.7.1 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.
- 2.7.2 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 two weeks by BHEL, in the event of:-
- 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
 - x. In the opinion of BHEL, the contractor is overloaded and is not in a position to execute the job as per required schedule.
- 2.7.3 To meet the expenses including BHEL overheads on the differential cost at 15%, over and above the Liquidated damages/penalties arising out of "Risk & Cost" as explained above under SI.No.2.7.2. 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 (TOOLS & PLANTS) or material of the contractor under this contract or any other contract of BHEL or by any other means or any combination thereof.
- 2.7.4 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.
- 2.7.5 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 statutory forced to pay to anybody, due to contractor's failure to fulfill any of his obligations. BHEL shall levy overheads of 15% on all such payments along with interest as defined elsewhere in the GCC.
- 2.7.6 While every endeavor 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.
- 2.7.7 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 remobilize at an agreed future date. Cost of such demobilization/remobilization shall be mutually agreed. 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.
- 2.7.8 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:
- a) The balance works (including but not limited to Trial Operation, PG Test, etc) are minor vis a vis the scope of work envisaged as per the contract.
 - b) There has been no significant work in past 6 months OR no significant work is expected in next 6 months (example in Hydro projects or in projects where work has stopped due to reasons beyond the control of BHEL).

- c) The balance works cannot be done within a reasonable period of time as they are dependent on unit shutdown or on other facilities of customer or any other 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 like Trial Operation/PG Test, etc) as mutually agreed, shall however be reduced from the final contract value.

2.7.9 LIQUIDATED DAMAGES/PENALTY

If the contractor fails to maintain the required progress of work which results in delay in the completion of the work as per the contractual completion period, BHEL shall have the right to impose Liquidated Damage/Penalty at the rate of 0.5% of the contract value per week of delay or part thereof subject to a maximum of 10% of the contract value. For this purpose, the period of delay shall be the delay attributable to the Contractor for the completion of work as per contract. Contract Value for this purpose, shall be the final executed value exclusive of ORC, Extra Works executed on Man-day rate basis, Supplementary/Additional Items and PVC.

2.8. RESPONSIBILITIES OF THE CONTRACTOR IN RESPECT OF LOCAL LAWS, EMPLOYMENT OF WORKERS ETC.

The following are the responsibilities of the contractor in respect of observance of local laws, employment of personnel, payment of taxes etc. The subcontractor shall fully indemnify BHEL against any claims of whatsoever nature arising due to the failure of the contractor in discharging any of his responsibilities hereunder:

- 2.8.1 As far as possible, Unskilled Workers shall be engaged from the local areas in which the work is being executed.
- 2.8.2 The contractor at all times during the continuance of this contract shall, in all his dealings with local labor for the time being employed on or in connection with the work, have due regard to all local festivals and religious and other customs.
- 2.8.3 The contractor shall comply with all applicable State and Central Laws, Statutory Rules, Regulations, Notifications, etc. List of Acts/ Laws to be complied by the Contractor is given below and other Acts, Rules, and Regulations for labor/workers as applicable and as may be enacted by the State Government and Central Govt. during the tenure of the Contract and having force or jurisdiction at Site. The Contractor shall also comply with provisions of and give all such notices to the local Governing Body, Police and other relevant Authorities as may be required by the Law.

S/N	Name Of Act/Law
1	The Minimum Wages Act, 1948
2	Contract Labour (Regulation and Abolition) Act, 1970
3	Employees P.F & Miscellaneous Provisions Act, 1952
4	Employees State Insurance Act 1948
5	Employees Compensation Act, 1923
6	Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996
7	Fatal Accidents Act, 1855

S/N	Name Of Act/Law
8	Payment of Bonus Act, 1965
9	Payment of Gratuity Act, 1972
10	Payment of Wages Act, 1936
11	Personal Injuries (Compensation Insurance) Act, 1963
12	Industrial Employment (Standing Orders) Act, 1946
13	Interstate Migrant Workers Act,1979
14	Persons with Disabilities (Equal Opportunity, Protection of Rights and Full Participation) Act, 1995.
15	Child Labour (Prohibition And Regulation) Act, 1986 And Rules
16	The Environment (Protection) Act, 1986
17	Factories Act, 1948
18	Forest (Conservation) Act, 1980
19	Hazardous Wastes (Management and Handling) Rules, 1989
20	Income Tax Act (with special reference to TDS U/S 192 TO 195 of the Act)
21	Industrial Disputes Act, 1947
22	Legal Metrology Act, 2009
23	Labour Welfare Fund Act (respective States)
24	Protection of Human Rights Act, 1993.
25	Public Liability Insurance Act, 1991
26	Public Premises (Eviction of Unauthorised Occupants) Act, 1971
27	Securities Contracts (Regulations) Act, 1956
28	Maternity Benefits Act, 1961
29	Manufacture, Storage and Import of Hazardous Chemical Rules, 1989
30	Energy Conservation Act, 2001
31	Noise Pollution (Regulation and Control) Rules, 2000
32	Ozone Depleting Substances (Regulation) Rules, 2000
33	Petroleum Act, 1934
34	The Registration and Licensing of Industrial Undertakings Rule, 1952.
35	Service Tax Act, 1994
36	Water (Prevention & Control of Pollution) Act, 1974
37	Water (Prevention and Control of Pollution) Cess Act, 1977
38	E-waste (Management & Handling) Rules, 2011
39	The Electricity Act, 2003.
40	Food Safety and Standard Act, 2006.
41	Air (Prevention and Control of Pollution) Act, 1981
42	Batteries (Management and Handling) Rules, 2001.

NOTE: Above list is only indicative & not exhaustive and latest acts/ laws as available/ applicable from time to time shall be strictly adhered to by the contractor during execution of the contract.

- 2.8.4 The Contractor shall obtain independent License under the Contract Labor (Regulations and Abolition) Act, 1970 for engaging contract labor as required from the concerned Authorities based on the certificate (Form- V) issued by the Principal Employer/Customer.
- 2.8.5 The contractor shall pay and bear all taxes, fees, license charges, Cess, duties, deposits, tolls, royalties, commission or other charges which may be leviable on

- account of his operations in executing the contract.
- 2.8.6 While BHEL would pay the inspection fees and Registration fees of Electrical Inspectorate, all other arrangements for site visits periodically by the Inspectorate to site, Inspection certificate etc. will have to be made by contractor. However, BHEL will not make any payment to the Inspectorate in connection with contractor's Welders/Electricians qualification tests etc.
- 2.8.7 Contractor shall be responsible for provision of Health and Sanitary arrangements (more particularly described in Contract Labor Regulation & Abolition Act), Safety precautions etc. as may be required for safe and satisfactory execution of contract.
- 2.8.8 The contractor shall be responsible for proper accommodation including adequate medical facilities for personnel employed by him.
- 2.8.9 The contractor shall be responsible for the proper behavior and observance of all regulations by the staff employed by him.
- 2.8.10 The contractor shall ensure that no damage is caused to any person/property of other parties working at site. If any such damage is caused, it is responsibility of the contractor to make good the losses or compensate for the same.
- 2.8.11 All the properties/equipments/components of BHEL/their Client loaned with or without deposit to the contractor in connection with the contract shall remain properties of BHEL/their Client.
- 2.8.12 The contractor shall use such properties for the purpose of execution of this contract. All such properties / equipments/components shall be deemed to be in good condition when received by the contractor unless he notifies within 48 hours to the contrary. The contractor shall return them in good condition as and when required by BHEL/their Client. In case of non-return, loss, damage, repairs etc, the cost thereof as may be fixed by BHEL Engineer will be recovered from the contractor
- 2.8.13 In case the contractor is required to undertake any work outside the scope of this contract, the rates payable shall be those mutually agreed upon if the item rates are not mentioned in existing contract
- 2.8.14 Any delay in completion of works/or non-achievement of periodical targets due to the reasons attributable to the contractor, the same may have to be compensated by the contractor either by increasing manpower and resources or by working extra hours and/or by working more than one shift. All these are to be carried out by the contractor at no extra cost.
- 2.8.15 The contractor shall arrange, coordinate his work in such a manner as to cause no hindrance to other agencies working in the same premises.
- 2.8.16 All safety rules and codes applied by the Client/BHEL at site shall be observed by the contractor without exception. The contractor shall be responsible for the safety of the equipment/material and works to be performed by him and shall maintain all light, fencing guards, slings etc. or other protection necessary for the purpose. Contractor shall also take such additional precautions as may be indicated from time to time by the Engineer with a view to prevent pilferage, accidents, fire hazards. Due precautions shall be taken against fire hazards and atmospheric conditions. Suitable number of Clerical staff, watch and ward, store keepers to take care of equipment/materials and construction tools and tackles shall be posted at site by the contractor till the completion of work under this contract.

The contractor shall arrange for such safety devices as are necessary for such type of work and carry out the requisite site tests of handling equipment, lifting tools, tackles etc. as per prescribed standards and practices.

Contractor has to ensure the implementation of "Health, Safety and Environment (HSE) requirements" as per directions given by BHEL/ Customer. The

- contractor has to assist in HSE audit by BHEL/ Customer and submit compliance Report. The contractor has to generate and submit record/reports as per HSE plan/activities as per instruction of BHEL/Customer.
- 2.8.17 **The contractor will be directly responsible for payment of wages to his workmen. A pay roll sheet giving all the payments given to the workers and duly signed by the contractor's representative should be furnished to BHEL site for record purpose along with each RAB and whenever as asked by BHEL.**
- 2.8.18 In case of any class of work for which there is no such specification as laid down in the contract, such work shall be carried out in accordance with the instructions and requirements of the Engineer.
- 2.8.19 Also, no idle charges will be admissible in the event of any stoppage caused in the work resulting in contractor's labor and Tools & Plants being rendered idle due to any reason at any time.
- 2.8.20 The contractor shall take all reasonable care to protect the materials and work till such time the plant / equipment has been taken over by BHEL or their Client whichever is earlier.
- 2.8.21 The contractor shall not stop the work or abandon the site for whatsoever reason of dispute, excepting force majeure conditions. All such problems/disputes shall be separately discussed and settled without affecting the progress of work. Such stoppage or abandonment shall be treated as breach of contract and dealt with accordingly
- 2.8.22 The contractor shall keep the area of work clean and shall remove the debris etc. while executing day-to-day work. Upon completion of work, the contractor shall remove from the vicinity of work, all scrap, packing materials, rubbish, unused and other materials and deposit them in places specified by the Engineer. The contractor will also demolish all the hutments, sheds, offices, etc. constructed and used by him and shall clean the debris. In the event of his failure to do so, the same will be arranged to be done by the Engineer and the expenses recovered from the contractor.
- 2.8.23 The contractor shall execute the work in the most substantial and workman like manner in the stipulated time. Accuracy of work and timely execution shall be the essence of this contract. The contractor shall be responsible to ensure that the quality, assembly and workmanship conform to the dimensions and clearance given in the drawings and/ or as per the instructions of the Engineer.
- 2.8.24 The Contractor to note that some of BHEL's T&P (TOOLS & PLANTS)s / MMDs may not be insured. The Contractor will take necessary precautions and due care to protect the same while in his custody from any damage/ loss till the same is handed over back to BHEL. In case the damage / loss is due to carelessness / negligence on the part of the contractor, the Contractor is liable to get them repair / replaced immediately and in case of his failure to do so within a reasonable time, BHEL will reserve the right to recover the loss from the contractor.

2.9. PROGRESS MONITORING, MONTHLY REVIEW AND PERFORMANCE EVALUATION

- 2.9.1 A detailed plan / program for completion of the contractual scope of work as per the time schedule given in the contract shall be jointly agreed between BHEL and Contractor, before commencement of work. The above program shall be supported by month-wise deployment of resources viz Manpower, T&P (TOOLS & PLANTS), Consumables, etc. Progress will be reviewed periodically (Daily/Weekly/Monthly) vis-a-vis this jointly agreed program. The Contractor shall submit periodical progress reports (Daily/Weekly/Monthly) and other

- reports / information including manpower, consumables, T&P (TOOLS & PLANTS) mobilization etc as desired by BHEL.
- 2.9.2 Monthly progress review between BHEL and Contractor shall be based on the agreed programs above, availability of inputs/fronts etc, and constraints if any, as per prescribed formats. Manpower, T&P (TOOLS & PLANTS) and consumable reports as per prescribed formats shall be submitted by contractor every month. Release of RA Bills shall be contingent upon certification by BHEL Site Engineer of the availability of the above prescribed formats duly filled in and signed.
- 2.9.3 The burden of proof that the causes leading to any shortfall is not due to any reasons attributable to the contractor is on the contractor himself. The monthly progress review shall record shortfalls attributable to (i) Contractor, (ii) Force Majeure Conditions, and (iii) BHEL.
- 2.9.4 Performance of the Contractor shall be assessed as per prescribed formats and shall form the basis for 'Annual/Overall Performance Evaluation' of the Contractor and also for 'Assessment of Capacity of Bidder' for Tenders where the Contractor is a bidder. BHEL reserves the right to revise the evaluation formats during the course of execution of the works.

2.10 TIME OF COMPLETION

- 2.10.1 The time schedule shall be as prescribed in the Contract.
- 2.10.2 The entire work shall be completed by the contractor within the time schedule or within such extended periods of time as may be allowed by BHEL under clause 2.11.

2.11 EXTENSION OF TIME FOR COMPLETION

- 2.11.1 If the completion of work as detailed in the scope of work gets delayed beyond the contract period, the contractor shall request for an extension of the contract and BHEL at its discretion may extend the Contract.
- 2.11.2 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/ Penalty shall be subjected to submission of Bank Guarantee (BG) of value equivalent to maximum LD / Penalty amount by Contractor which shall be valid till completion of work and grant of final Time extension.
- 2.11.3 Based on the monthly 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.
- 2.11.4 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.
- 2.11.5 A joint program shall be drawn for the balance amount of work to be completed during the period of Time Extension', along with matching resources (with weightages) to be deployed by the contractor as per specified format. Review of the program and record of shortfall shall be done every month of the Time extension' period in the same manner as is done for the regular contract period.

- 2.11.6 During the period of Time extension', contractor shall maintain their resources as per mutually agreed program.
- 2.11.7 At the end of total work completion as certified by BHEL Engineer, and upon analysis of the total delay, the portion of time extensions attributable to (i) Contractor, (ii) Force majeure conditions, and (iii) BHEL, shall be worked out and shall be considered to be exhausted in the same order. The total period of time extensions shall be the sum of (i), (ii) and (iii) above and shall be equal to period between the scheduled date of completion and the actual date of completion of contract. LD shall be imposed/ levied for the portion of time extensions attributable to contractor and recoverable from the dues payable to the contractor.

2.12 OVERRUN COMPENSATION

- 2.12.1 Over Run Compensation (ORC) is payable for works done during the extension period, by way of rate revisions for periods beyond original contract period subject to the following terms and conditions.
- 2.12.2 Rates shall be increased by 10% for the first twelve months of one or more extensions beyond original contract period. For the next twelve months of further extensions if any, rates shall be increased as above by 10% over the previous twelve months, and similarly for each subsequent twelve months extension.
- 2.12.3 The amount of increase payable per month due to rate revisions is subject to a minimum of Rs.1,00,000/- per month and a maximum of Rs 10,00,000/- per month.
- 2.12.4 Should there be any Time extension' for reasons attributable only to the contractor, then the work shall be executed by the contractor at the rates applicable for the period the work was planned.
- 2.12.5 Payment of ORC shall be regulated as follows:
- i) Contractor is entitled to Over Run Compensation (ORC) only for the portion of backlog attributable to BHEL.
 - ii) 50% of the compensation as per clause 2.12.3 is allocated for deployment of resources agreed as per the joint program drawn vide 2.11.4. Payment shall however be based on the actual deployment of resources for the month as certified by BHEL, as per weightages assigned therein.
 - iii) 50% of the compensation as per clause 2.12.3, is allocated for achieving of planned progress agreed as per the joint program drawn vide 2.11.4. Payment shall be on pro-rata basis for actual achieved quantities
 - iv) Total Overrun Compensation shall be limited to 10% of the executed contract value as certified in Final Bill. For this purpose executed contract value excludes PVC, ORC, Supplementary / Additional Items and Extra Works done on Man-day rate basis
- 2.12.6 Contractor shall not be entitled for any Over Run Compensation (ORC) for the portion of backlog attributable to the contractor. Such works shall be executed at the rates applicable for the period the work was planned

2.13 INTEREST BEARING RECOVERABLE ADVANCES

- 2.13.1 Normally no advance is payable to the contractor. However, advance payment in exceptional circumstances shall be interest bearing and secured through a Bank Guarantee and shall be limited to a maximum of 5% of contract value. This Interest Bearing Recoverable Advance' shall be payable in not less than two installments with any of the installment not exceeding 60% of the total eligible advance.
- 2.13.2 In exceptional circumstances, with due justification, Competent Authority of BHEL is empowered to approve proposals for payment of additional interim interest bearing advance against Bank Guarantee, for resource augmentation towards expediting work

- for project implementation.
- 2.13.3 Bank Guarantee towards Interest Bearing Recoverable Advance' shall be atleast 110% of the advance so as to enable recovery of not only principal amount but also the interest portion, if so required.
- 2.13.4 Contractor shall establish the utilization of advance drawn before the release of next installment.
- 2.13.5 Payment and recovery of Interest Bearing Recoverable advance shall be at the sole discretion of BHEL and shall not be a subject matter of arbitration.
- 2.13.6 The rate of interest applicable for the above advances shall be the prime lending rate of State Bank of India prevailing at the time of disbursement of the advance+ 6%, and such rate will remain fixed till the total advance amount is recovered.
- 2.13.7 Unadjusted amount of advances paid shall not exceed 5% of the total contract value at any point of time. Recovery of advances shall be made progressively from each Running Bill such that the advance amounts paid along with the interest is fully recovered by the time the contractor's billing reaches 90% of contract value.
- 2.13.8 Recovery rate per month shall be the sum of:
- 2.13.9 Not less than 10% of Running Bill amount
- 2.13.10 Simple interest up to the date of RA Bill on the outstanding Principle amount/amounts
- 2.13.11 Contractor to submit Bank Guarantee as per prescribed formats for each of the advance and shall be valid for at least one year or the recovery duration or the balance contract period whichever is later. In case the recovery of dues does not get completed within the aforesaid BG period, the contractor shall renew the BG or submit fresh BG for the outstanding amount and the remaining recovery period.
- 2.13.12 BHEL is entitled to make recovery of the entire outstanding amount in case the contractor fails to comply with the BG requirement.

2.14 QUANTITY VARIATION

- 2.14.1 The quantities given in the contract are tentative and may change to any extent (both in plus side and minus side). The allocated rates for individual items shall remain firm irrespective of any variations in the individual quantities. No compensation becomes payable in case the variation of the final executed contract value is within the limit of Minus (-) 15% of awarded contract value.
- 2.14.2 Compensation due to variation of final executed value in excess of the limits defined in clause above, shall be as follows:
- i) In case the finally executed contract value reduces below the lower limit of Contract Value due to quantity variation specified above, the contractor will be eligible for compensation @ 15% of the difference between the lower limit of the contract value and the actual executed value.
 - ii) In case the finally executed contract value increases above the awarded Contract Value due to quantity variation, there will be no upward revision in the rates for the individual items.

2.15 EXTRA WORKS

- 2.15.1 All rectifications / modifications, revamping, and reworks required for any reasons not due to the fault of the contractor, or needed due to any change in deviation from drawings and design of equipments, operation / maintenance requirements, mismatching, or due to damages in transit, storage and erection / commissioning, and other allied works which are not very specifically indicated in the drawings, but are found essential for satisfactory completion of the work, will be considered as extra works.
- 2.15.2 Extra works arising on account of the contractor's fault, irrespective of time consumed in rectification of the damage/loss, will have to be carried out by the

- contractor free of cost. Under such circumstances, any material and consumable required for this purpose will also have to be arranged by the contractor at his cost.
- 2.15.3 All the extra work should be carried out by a separately identifiable gang, without affecting routine activities. Daily log sheets in the pro-forma prescribed by BHEL should be maintained and shall be signed by the contractor's representative and BHEL engineer. No claim for extra work will be considered / entertained in the absence of the said supporting documents i.e. daily log sheets. Signing of log sheets by BHEL engineer does not necessarily mean the acceptance of such works as extra works.
- 2.15.4 BHEL retains the right to award or not to award any of the major repair / rework / modification / rectification / fabrication works to the contractor, at their discretion without assigning any reason for the same.
- 2.15.5 After eligibility of extra works is established and finally accepted by BHEL engineer / designer, payment will be released on competent authority's approval at the following rate.

MAN-HOUR RATE FOR ELIGIBLE EXTRA WORKS: Single composite average labor man-hour rate, including overtime if any, supervision, use of tools and tackles and other site expenses and incidentals, consumables for carrying out any major rework/ repairs/ rectification/ modification/ fabrication as certified by site as may arise during the course of erection, testing, commissioning or extra works arising out of transit, storage and erection damages, payment, if found due will be at Rs. 60/-per man hour.

- 2.15.6 The above composite labor man hour rate towards extra works shall remain firm and not subject to any variation during execution of the work. PVC will not be applicable for extra works. Rate revision, Over Run Charges/compensation etc will not be applicable for the extra works.
- 2.15.7 **Extra Works for Civil Packages** shall be regulated as follows
- i) Rates for Extra Works arising due to (1) Non-availability of BOQ (Rate Schedule), OR (2) Change in Specifications of materials / works (3) rectification / modification / dismantling & re erecting etc due to no fault of Contractor, shall be in the order of the following:
 - a) Item rates are to be derived from similar nature of items in the BOQ (Rate Schedule) with applicable escalation derived from All India Consumer Price Index for Whole Sale Commodities.
 - b) As per CPWD-DSR-2014 (or latest edition) with applicable escalation derived from All India Consumer price Index for Whole Sale Commodities, OR, Notification issued by the office of CPWD for 'Cost Index' in that Region where the project is being executed, whichever is less Item rates are to be worked out on the basis of prevailing market rates mutually agreed between BHEL and Contractor, plus 15% towards Contractor's overheads and profit.
 - ii) PVC and ORC will not applicable for i) above.

2.16 SUPPLEMENTARY ITEMS

2.16.1 For NON Civil Works :

Supplementary items are items/works required for completion of entire work but not specified in the scope of work. Subject to certification of such items/works as supplementary items by BHEL Engineer, rates shall be derived on the basis of any one of the following on mutual agreement:

- i) Based on percentage breakup/rates indicated for similar/nearby items.
- ii) In case (i) above does not exist, then BHEL/site may derive the percentage breakup/ rates to suit the type of work.

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2.16.2 For Civil Works :

- i) Rates for Supplementary Works/Additional Works arising out due to additions/alterations in the original scope of works as per contract subject to certification of BHEL Engineer shall be worked out as under :
 - a) Item rates which are available in existing BOQ (Rate Schedule) shall be operated with applicable escalation derived from All India Consumer Price Index for Whole Sale Commodities.
 - b) Items of works which are not available in existing BOQ shall be operated as an 'Extra Works' and rate shall be derived as per clause no 2.15.7.
- ii) Execution of Supplementary Works/Additional Works through the Contractor shall be at the sole discretion of BHEL, and shall be considered as part of executed contract value for the purpose of Quantity Variation as per clause 2.14
- iii) BHEL Engineer's decision regarding fixing the rate as above is final and binding on the contractor.
- iv) PVC and ORC will not be applicable for (i) above.

2.17 PRICE VARIATION COMPENSATION

2.17.1 In order to take care of variation in cost of execution of work on either side, due to variation in the index of LABOR, HIGH SPEED DIESEL OIL, WELDING ROD, CEMENT, STEEL, MATERIALS, Price Variation Formula as described herein shall be applicable

2.17.2 The basis for calculation of price variation in each category, their component, Base Index, shall be as under:

SL	CATEGORY	BASE INDEX	COMPONENT ('K')				
			CIVIL PACKAGES (See Note A/B/C)			MECHANICAL PACKAGES	LABOR ORIENTED PACKAGE (See Note D)
			A	B* *	C		
i)	LABOR(ALL CATEGORIES)	'MONTHLY ALL-INDIA AVERAGE CONSUMER PRICE NUMBERS FOR INDUSTRIAL INDEX WORKERS' published by Labor Bureau, Ministry of Labor and Employment, Government of India. (Website: laborbureau.nic.in)	40	25	30	65	80
ii)	HIGH SPEED DIESEL OIL	Name of Commodity : HSD OI L. Type : INDIVIDUAL COMMODITY (See Note F)	5	3	5	5	5
iii)	WELDING ROD	Name of Commodity : WELDING ROD Type: (See Note F)				15	
iv)	CEMENT	Name of Commodity : GREY CEMENT Type: INDIVIDUAL (See Note F)		20	30		

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v)	STEEL (Structural Reinforcement Steel)	Name of Commodity: a1 . IRON & SEMIS Type: GROUP ITEM (See Note F)		25			
vi)	MATERIALS (Other than Cements Steel)	Name of Commodity: ALL COMMODITIES Type: GROUP ITEM (See Note F)	40	12	20		

2.17.3 In case 'Category' is not covered in table under the clause 2.17.2 then, 85% component of Contract Value shall be permitted to be adjusted for variation in various relevant indices during execution of work. The remaining 15% shall be treated as fixed component.

Note: A) Cement& Steel: Free Issue (BHEL Scope)

B) Cement & Steel: In Contractor Scope {**: unless otherwise specified in Commercial Conditions of Contract (CCC)}

C) Cement in Contractor Scope, and Steel is Free Issue (BHEL Scope)

D) Predominantly 'Labor Oriented' packages including Material Handling & Management, Insulation, Painting, Electrical and C&I or a combination thereof, which are separately tendered and awarded

E) For Composite packages (i.e. Civil+ Mechanical+ Electrical/C&I or Civil+ Mechanical or Mechanical+ Electrical/C&I), the components for various categories shall be as per respective packages

F) As per the 'MONTHLY WHOLE SALE PRICE INDEX' for the respective Commodity and Type, published by Office of Economic Adviser, Ministry of Commerce and Industry, Government of India. (Website: www.eaindustry.nic.in). Revisions in the index or commodity will be re adjusted accordingly.

2.17.4 Payment / recovery due to variation in index shall be determined on the basis of the following notional formula without any initial absorption, in respect of the identified components viz LABOR, HIGH SPEED DIESEL OIL, WELDING ROD, CEMENT, STEEL, MATERIALS

$$P = K \times R \times (X_n - X_o) / X_o \text{ Where}$$

P= Amount to be paid/recovered due to variation in the Index for Labor, High Speed Diesel Oil, Welding Rod, Cement, Steel and Materials
K = Percentage component applicable for Labor High Speed Diesel Oil, Welding Rod, Cement, Steel and Materials

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

X_n = Revised Index No for Labor, High Speed Diesel Oil, Welding Rod, Cement, Steel and Materials for the billing month under consideration

X_o = Index no for Labor, High Speed Diesel Oil, Welding Rod, Cement, Steel and Materials as on the Base date.

2.17.5 **Base date shall be calendar month of the latest date of submission of Tender.**

2.17.6 PVC shall not be payable for the ORC amount, Supplementary/Additional Items, Extra works.

2.17.7 The contractor shall furnish necessary monthly bulletins for the necessary indices from the relevant websites along with his Bills.

2.17.8 The contractor will be required to raise the bills for price variation payments on a monthly basis along with the running bills irrespective of the fact whether any

increase/decrease in the index for relevant categories has taken place or not. In case there is delay in publication of bulletins (final figure), the provisional values as published can be considered for payments and arrears shall be paid/recovered on getting the final values.

2.17.9 PVC shall be applicable for the entire original contract period plus the extended period. However the Total Quantum of Price Variation amount payable/recoverable 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 indices for the period of the original contract period,
- ii) For the period of Force Majeure, the PVC will be limited to the indices 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 indices applicable for the respective months
- iv) The total amount of PVC shall not exceed 20% of the cumulatively executed contract value. Executed contract value for this purpose is exclusive of PVC, ORC, Supplementary/ Additional Items and Extra works.

2.18 INSURANCE

2.18.1 BHEL shall arrange comprehensive MCE (marine cum erection) Insurance Policy for total project supply & services covering transit risks & loss, destruction or damage during handling at site, storage, civil works, erection, testing and commissioning up to trial operation completion of each unit including theft, sabotage, fire, lightning and other natural calamities.

2.18.2 It is the sole responsibility of the contractor to insure his materials (tools & plants etc.), equipments, workmen, etc., against accidents and injury while at work and to pay compensation, if any, to workmen as per Workmen's compensation Act. The work will be carried out in a protected area and all the rules and regulations of the client /BHEL in the area of project which are in force from time to time will have to be followed by the contractor.

2.18.3 If due to negligence and or non-observation of safety and other precautions by the contractors, any accident/injury occurs to the property / manpower belong to third party, the contractor shall have to pay necessary compensation and other expense, if so decided by the appropriate authorities.

2.18.4 Contractor will take necessary precautions/ due care to protect the material at Project site, while in contractor's custody from any damage/ loss till the same is handed over to BHEL/ BHEL Erection agency/ customer as applicable, at Project site. For lodging/ processing of insurance claim contractor will submit necessary documents. BHEL will reserve the right to recover the loss from contractor as detailed below in case the damage/ loss is due to negligence/ carelessness on contractor's part. In case of theft of material under contractor's custody, the same shall be reported to police by contractor immediately and copy of FIR and subsequently police investigation report shall be submitted to BHEL/ customer for taking up with insurance. However this will not relieve contractor of contractor's contractual obligation for the materials in contractor's custody.

2.18.5 Contractor shall report to BHEL in writing any damages to equipments/ components on receipt, storing, and during withdrawal of the materials from stores. The above report shall be as prescribed by BHEL site management. Any consequential loss arising out of non-compliance of this stipulation will be borne by

contractor.

2.18.6 In case the damage/ loss/ theft of materials are attributable to negligence/ failure in discharging contractor's duties and obligations, the expenses incurred for repair/ replacement of such components in excess of the amount realized from the underwriters, limited to Normal Excess (Deductible Franchise) shall be recovered from contractor.

2.18.7 In case the claim is summarily rejected by the underwriters/ insurance agency due to contractor's WILFUL NEGLIGENCE, the entire cost of repair/ replacement will be recovered from contractor.

2.19 STRIKES & LOCKOUT

2.19.1 The contractor will be fully responsible for all disputes and other issues connected with his labor. In the event of the contractor's labor resorting to strike or the Contractor resorting to lockout and if the strike or lockout declared is not settled within a period of one month, BHEL shall have the right to get the work executed through any other agencies and the cost so incurred by BHEL, along with departmental charges @ 15%, shall be deducted from the Contractor's bills.

2.19.2 For all purposes whatsoever, the employees of the contractor shall not be deemed to be in the employment of BHEL

2.20 FORCE MAJEURE

The following shall amount to Force Majeure:-

2.20.1 Acts of God, act of any Government, War, Sabotage, Riots, Civil commotion, Police action, Revolution, Flood, Fire, Cyclones, Earth quake and Epidemic and other similar causes over which the contractor has no control.

2.20.2 If the contractor suffers delay in the due execution of the contractual obligation due to delays caused by force majeure as defined above, the agreed time of completion of the job covered by this contract or the obligations of the contractor shall be extended by a period of time equal to period of delay, provided that on the occurrence of any such contingency, the contractor immediately reports to BHEL in writing the causes of delay and the contractor shall not be eligible for any compensation.

2.21 ARBITRATION AND RECONCILIATION

2.21.1 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. 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.

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.

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.

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.

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 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.

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.

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.

2.21.2 The cost of arbitration shall be borne equally by the parties.

2.21.3 Work under the contract shall be continued during the arbitration proceedings

2.22 RETENTION AMOUNT

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) 50% of retention amount along with 'Final Bill'
- ii) Balance 50% of retention amount shall be retained towards 'Performance Guarantee for Workmanship' and shall become refundable after expiry of Guarantee period, provided all the defects noticed during the guarantee period have been rectified to the satisfaction of BHEL Site Engineer/BHEL Construction Manager, and after deducting all expenses/other amounts due to BHEL under the

contract/other contracts entered into by BHEL with them. This portion of the retention amount can be released on commencement of the Guarantee period, on submission of equivalent Bank Guarantee.

2.23 PAYMENTS

Payments to Contractors are made in any one of the following forms

2.23.1 Running Account Bills (RA Bills)

- i) These are for interim payments when the contracts are in progress. The bills for such interim payments are to be prepared by Contractor in prescribed formats (RA Bill forms).
- ii) Payments shall be made according to the extent of work done as per measurements taken up to the end of the calendar month and in line with the terms of payments described in the Tender documents.
- iii) Recoveries on account of electricity, water, statutory deductions, etc are made as per terms of contract.
- iv) Full rates for the work done shall be allowed only if the quantum of work has been done as per the specifications stipulated in the contract. If the work is not executed as per the stipulated specifications, BHEL may ask the contractor to re-do the work according to the required specifications, without any extra cost. However, where this is not considered necessary 'OR' where the part work is done due to factors like non-availability of material to be supplied by BHEL 'OR' non availability of fronts 'OR' non availability of drawings, fraction payment against full rate, as is considered reasonable, may be allowed with due regard for the work remaining to be done. BHEL decision in this regard will be final and binding on the contractor.
- v) In order to facilitate part payment, BHEL Site Engineer at his discretion may further split the contracted rates/percentages to suit site conditions, cash flow requirements according to the progress of work.

2.23.2 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 25th of previous calendar month to 24th of the current month. The contractor shall submit their bills once in a month duly furnishing the following information:

- i) Work order no and date.
- ii) Challan no and date.
- iii) Truck/ trailer/ wagon no.
- iv) Consignment no and date
- v) Work completion report w.r.t. challan.
- vi) Description of materials.
- vii) No of packages as per shipping docs/ challan/ consignment note.
- viii) Gross weight (MT) as per shipping docs/ challan/ consignment note.
- ix) Location of material.
- x) Amount claimed.
- xi) Recoveries such as hire charges, demurrage, fine/ penalty etc, if any.
- xii) Certified man-hour regarding upkeepment, maintenance and preservation etc.

2.23.3 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 labor wages and other dues in the meanwhile.

- 2.23.4 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.

2.23.5 Final Bill

Final Bill' is used for final payment on closing of Running Account for works or for single payment after completion of works. 'Final Bill' shall be submitted as per prescribed format after completion of works as per scope and upon material reconciliation, along with the following:

- i) 'No Claim Certificate' by contractor
- ii) Clearance certificates where ever applicable viz Clearance Certificates from Customer, various Statutory Authorities like Labor department, PF Authorities, Commercial Tax Department, etc.
- iii) Indemnity bond as per prescribed format.

BHEL shall settle the final bills after deducting all liabilities of Contractor to BHEL

2.24 DOCUMENTS TO BE SUBMITTED BY VENDOR FOR PAYMENTS

- 2.24.1 **FOR SUPPLY PAYMENTS** (Applicable where separate BOQ for supply is available)

a) For Claiming Progress Payment

- a) Invoice – original+3 copies
- b) LR (signed & stamped)- original+3 copies (applicable for supplies only)
- c) Packing List - clearly showing number of packages, gross weight and net weight. - original+3 copies
- d) MDC from BHEL site engineer
- e) Guarantee Certificate – Original + 3 copies
- f) Insurance Intimation - 4 copies
- g) Duty drawback documents (original excise invoice, original disclaimer certificate, original certificate from excise authority for payment of excise duty), if applicable. – original + 3 copies.

b) For Claiming Freight Payment

- i) Invoice – Original + 3 copies
- ii) Receipted LR (signed & stamped)/ confirmation from site regarding receipt of packages/Boxes – original / copy.
- iii) Transporter's document indicating the freight amount. Original money receipt to be submitted if required as per CCC.

c) For Claiming balance payment against MRC

- i) Invoice – Original + 3 copies
- ii) Copy of MRC

d) For Claiming Final Payment

- i) Supplementary Invoice
- ii) Certificate from BHEL Site for having successfully completed the Performance Guarantee (PG)/ Demonstration Test and handing over of the system/ package.

- 2.24.2 **For Payment against Services Rendered**

a) For Claiming Progress Payment

- i) Invoice – original+3 copies
- ii) Running Account Bill (RAB) jointly signed by BHEL Engineer and Contractor. Original + 3 copies
- iii) Measurement Book (MB) jointly signed by BHEL Engineer and Contractor. Original + 3 copies
- iv) Service Tax paid Challan for Previous RAB: 4 Copies
- v) ESI/ EPF/ Proof of Wages Paid (as applicable): 4 Copies
- vi) Bank Guarantee (for Security Deposit), if opted by contractor: Original + 3 Copies.

b) For Claiming balance payment against Commissioning

- i) Invoice – Original + 3 copies
- ii) Copy of Commissioning Certificate

c) For Claiming Final Payment

- i) Supplementary Invoice
- ii) Certificate from BHEL Site for having successfully completed the Performance Guarantee (PG)/ Demonstration Test and handing over of the system/ package.

2.25 PERFORMANCE GUARANTEE FOR WORKMANSHIP

2.25.1 Even though the work will be carried out under the supervision of BHEL Engineers the Contractor will be responsible for the quality of the workmanship and shall guarantee the work done, for a period as defined in "Commercial Conditions of Contract (CCC)", for good workmanship and shall rectify free of cost all defects due to faulty erection detected during the guarantee period. In the event of the Contractor failing to repair the defective works within the time specified by the Engineer, BHEL may proceed to undertake the repairs of such defective works at the Contractor's risk and cost, without prejudice to any other rights and recover the same from the Guarantee money.

2.25.2 BHEL shall release the guarantee money subject to the following:

- i. Contractor has submitted 'Final Bill'
- ii. Guarantee period as per contract has expired
- iii. Contractor has furnished 'No Claim Certificate' in specified format.
- iv. BHEL Site Engineer/ Construction Manager has furnished the 'No Demand Certificate' in specified format.
- v. Contractor has carried out the works required to be carried out by him during the period of Guarantee and all expenses incurred by BHEL on carrying out such works is included for adjustment from the Guarantee money refundable.
- vi. Contractor has fulfilled all contractual agreements as per the terms of the contract.
- vii. Requirements of clause 1.11 have been fulfilled.

2.26 CLOSING OF CONTRACTS

The Contract shall be considered completed and closed upon completion of all contractual obligations and settlement of Final Bill or completion of Guarantee period whichever is later. Upon closing of Contract, BHEL shall issue a completion certificate as per standard format, based on specific request of Contractor.

2.27 REVERSE AUCTION:

"BHEL reserves the right to go for Reverse Auction (RA) (Guidelines as available

on www.bhel.com) instead of opening the sealed envelope price bid, submitted by the bidder. This will be decided after techno-commercial evaluation. Bidders to give their acceptance with the offer for participation in RA. Non-acceptance to participate in RA may result in non-consideration of their bids, in case BHEL decides to go for RA.

Those bidders who have given their acceptance to participate in Reverse Auction will have to necessarily submit 'Process compliance form' (to the designated service provider) as well as 'Online sealed bid' in the Reverse Auction. Non-submission of 'Process compliance form' or 'Online sealed bid' by the agreed bidder(s) will be considered as tampering of the tender process and will invite action by BHEL as per extant guidelines for suspension of business dealings with suppliers/ contractors (as available on www.bhel.com).

The bidders have to necessarily submit online sealed bid less than or equal to their envelope sealed price bid already submitted to BHEL along with the offer. The envelope sealed price bid of successful L1 bidder in RA, if conducted, shall also be opened after RA and the order will be placed on lower of the two bids (RA closing price & envelope sealed price) thus obtained. The bidder having submitted this offer specifically agrees to this condition and undertakes to execute the contract on thus awarded rates.

If it is found that L1 bidder has quoted higher in online sealed bid in comparison to envelope sealed bid for any item(s), the bidder will be issued a warning letter to this effect. However, if the same bidder again defaults on this count in any subsequent tender in the unit, it will be considered as fraud and will invite action by BHEL as per extant guidelines for suspension of business dealings with suppliers/ contractors (as available on www.bhel.com)."

As a reminder to the bidders, system will flash following message (in RED Color) during the course of 'online sealed bid':

"Bidders to submit online sealed bid less than or equal to their envelope sealed bid already submitted to BHEL".

In case of E-Procurement tenders, the electronic price bid (e-bid) submitted under Part-2 bid, shall be treated as sealed envelope price bid.

2.28 SUSPENSION OF BUSINESS DEALINGS

BHEL reserves the right to take action against Contractors who either fail to perform or Bidders / Contractor who indulge in malpractices, by suspending business dealings with them in line with BHEL guidelines issued from time to time.

The offers of the bidders who are under suspension and also the offers of the bidder, who engage the services of the banned firms, shall be rejected. The list of banned firms is available on BHEL website www.bhel.com.

Commitments to be honored by Bidder/Supplier/Contractor:

- iii) The bidder/supplier/contractor commit to take all measures to prevent corruption and will not directly or indirectly influence any decision or benefit which he is not legally entitled to nor will act or omit in any manner which tantamount to an offence punishable under any provision of the Indian Penal Code, 1860 or any other law in force in India.
- iv) The bidder/supplier/contractor will, when presenting his bid, disclose any

and all payments he has made, and is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract and shall adhere to relevant guidelines issued from time to time by Govt. of India/ BHEL.

- v) The bidder/supplier/contractor will perform/execute the contract as per the contract terms & conditions and will not default without any reasonable cause, which causes loss of business/money/reputation, to BHEL.
- vi) 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".

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.

2.29 OTHER ISSUES

- 2.29.1 Value of Non judicial Stamp Paper for Bank Guarantees and for Contract Agreement shall be not less than Rs 100/- unless otherwise required under relevant statutes.
- 2.29.2 In case of any conflict between the "General Conditions of Contract (GCC)" and "Commercial Conditions of Contract (CCC)", provisions contained in the "Commercial Conditions of Contract (CCC)" shall prevail.
- 2.29.3 Unless otherwise specified in NIT, offers from consortium/JVs shall not be considered. BHEL may not insist for signing of Contract Agreements in respect of low value and short time period contracts like providing services for Hot water flushing, Chemical Cleaning, Transportation, etc.

2.30 Order of Precedence of tender Documents:

In the event of any ambiguity or conflict between the Tender documents, the order of precedence shall be in the order below:

- a) Amendments/ Clarifications/ Corrigenda/ Errata etc issued in respect of the tender documents by BHEL.
- b) Notice Inviting Tender (NIT).
- c) Price Schedule.
- d) Commercial Conditions of Contract (CCC).
- e) Technical specifications & scope of work.
- f) General Conditions of Contract (GCC).

2.31 Terms of Payment

- i) **For Civil Works, Structural Erection Works, Electrical/ Mechanical Erection Works (Where scope of bidder does not include commissioning, PG Test etc.)**
 - a) 95% of basic price along with 100% taxes & duties shall be payable on pro rata basis upon completion of work/ milestones as per billing schedule based on the certification by BHEL site Engineer/ Construction Manager.
 - b) 2.5% of basic price shall be payable after completion of complete scope of work based on the certification by BHEL site Engineer/

Construction Manager.

- c) 2.5% of the basic price shall be payable after completion of guarantee period, provided all the defects noticed during the guarantee period have been rectified to the satisfaction of BHEL site Engineer/ BHEL Construction Manager, and after deducting all expenses/ other amounts (if any) due to BHEL under the contract/ other contracts entered into by BHEL with them. This amount can also be released on commencement of the Guarantee period, on submission of equivalent Bank Guarantee valid for the entire Guarantee Period with a claim period of three months more than the Guarantee Period.
- ii) **For Services where scope includes erection of items as well as commissioning, PG Test etc.**
 - a) 90% of basic price along with 100% taxes & duties shall be payable on pro rata basis upon completion of erection works as per billing schedule based on the certification by BHEL site Engineer/ Construction Manager.
 - b) 5% of basic price shall be payable after commissioning of the entire scope as per the contract based on the certification by BHEL site Engineer/ Construction Manager.
 - c) 2.5% of the basic price shall be payable after PG test/ Handing Over of the entire scope as per contract based on the certification by BHEL site Engineer/ Construction Manager.
 - d) 2.5% of the basic price shall be payable after completion of guarantee period, provided all the defects noticed during the guarantee period have been rectified to the satisfaction of BHEL site Engineer/ BHEL Construction Manager, and after deducting all expenses/ other amounts (if any) due to BHEL under the contract/ other contracts entered into by BHEL with them. This amount can also be released on commencement of the Guarantee period, on submission of equivalent Bank Guarantee valid for the entire Guarantee Period with a claim period of three months more than the Guarantee Period.
- iii) **For pure commissioning services (scope does not include erection)**
 - a) 95% of basic price along with 100% taxes & duties shall be payable on pro rata basis upon commissioning as per billing schedule based on the certification by BHEL site Engineer/ Construction Manager.
 - b) 2.5% of basic price shall be payable after completion of commissioning/ handing over of complete scope of work as per contract based on the certification by BHEL site Engineer/ Construction Manager.
 - c) 2.5% of the basic price shall be payable after completion of guarantee period, provided all the defects noticed during the guarantee period have been rectified to the satisfaction of BHEL site Engineer/ BHEL Construction Manager, and after deducting all expenses/ other amounts (if any) due to BHEL under the contract/ other contracts entered into by BHEL with them. This amount can also be released on commencement of the Guarantee period, on submission of equivalent Bank Guarantee valid for the entire Guarantee Period with a claim period of three months more than the Guarantee Period.
- iv) **For purely labor based services like unloading, security, stores management etc.**
 - a) 95% of basic price along with 100% taxes & duties shall be payable on pro rata basis upon rendering the services as per billing schedule based on certification by BHEL site Engineer/ Construction Manager.
 - b) 5% of the basic price shall be payable after rendering services for the

entire scope of work based on certification by BHEL site Engineer/ Construction Manager and after deducting all expenses/ other amounts (if any) due to BHEL under the contract/ other contracts entered into by BHEL with them.

- v) **For consultancy/ drafting services (Civil/ Mechanical/ Electrical)**
 - a) 60% on pro-rata basis against submission of drawings/ calculations based on certification by BHEL Engineer.
 - b) 20% on pro-rata basis against CAT-2 approval of drawings/ calculations by customer based on certification by BHEL Engineer.
 - c) 10% on pro-rata basis against CAT-1 approval of drawings/ calculations by customer based on certification by BHEL Engineer.
 - d) 5% on pro-rata basis against submission of as built drawings based on certification by BHEL Engineer.
 - e) Balance 5% against submission of as built drawing for the entire scope, based on certification by BHEL Engineer and after deducting all expenses/ other amounts (if any) due to BHEL under the contract/ other contracts entered into by BHEL with them.
- vi) **For Supply items (Where provision for separate supply billing is available in the tender)**
 - a) 85% of basic price along with 100% taxes & duties shall be payable on pro rata basis as per the billing schedule against receipt of materials at site (clean receipted LR).
 - b) 10% of basic price shall be payable on pro rata basis as per the billing schedule against submission of Material Receipt Certificate (MRC).
 - c) 2.5% of the basic price shall be payable after completion of all the supply and services in the scope of the bidder, PG test (if applicable) and handing over, based on certification by BHEL site Engineer/ Construction Manager and after deducting all expenses/ other amounts (if any) due to BHEL under the contract/ other contracts entered into by BHEL with them.
 - d) 2.5% of the basic price shall be payable after completion of guarantee period, provided all the defects noticed during the guarantee period have been rectified to the satisfaction of BHEL site Engineer/ BHEL Construction Manager, and after deducting all expenses/ other amounts (if any) due to BHEL under the contract/ other contracts entered into by BHEL with them. This amount can also be released on commencement of the Guarantee period, on submission of equivalent Bank Guarantee valid for the entire Guarantee Period with a claim period of three months more than the Guarantee Period.
 - e) For Freight Charges: Freight charges (including Service Tax) shall be payable after delivery of the goods at the project site, on receipt of MRC or receipted LR on pro-rata basis.

2.32 TAXES & DUTIES

2.32.1 SERVICE TAX & CESS

- a) 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.
- b) 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.

- c) 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.
- d) BHEL will not be held to be responsible for non-compliance of various Service Tax Rules, being framed from time to time.
- e) 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.
- f) 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.
- g) 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.
- h) BHEL shall not be liable towards Income Tax of whatever nature including variations thereof arising out of this contract as well as tax liability of the bidder and their personnel. Deduction of tax at source at the prevailing rates shall be effected by BHEL before release of payment as a statutory obligation, unless exemption certificate is produced by the bidder. TDS certificate will be issued by BHEL as per the provisions of Income Tax Act.
- i) Cess including Swachh Bharat Cess has to be indicated as separate line item in invoice.

2.32.2 SALES TAX/ VALUE ADDED TAX (VAT)

Normally Sales Tax & Value Added Tax shall be included in the quoted basic price for supply of items. If the NIT calls for separate payment of Sales Tax/ Value Added Tax, the same shall be governed by the following clauses:

- a) Central Sales Tax / Value Added Tax shall be reimbursed only if the same is paid by the Seller / Contractor to the respective Govt. authorities on direct sales by the Seller/ Contractor to the Purchaser, meeting all statutory requirements and availing all exemptions/concessions under the respective Central Sales Tax / Value Added Tax Acts. The offer should clearly indicate CST/VAT percentage and the total amount along with concessional form(s), if any.
- b) Purchaser is registered in Bangalore, Karnataka vide following Registration Numbers:
Central Sales Tax Registration No. : 70160429 w.e.f. 19-09-2002.
Karnataka Sales Tax Registration No. : 70110426 w.e.f. 19-09-2002.
Karnataka TIN. : 29630078284
- c) Central Sales Tax/Value Added Tax shall be reimbursed, as per tariff applicable, but restricted to the percentage and amount shown in the Order/Contract. If it is shown as included in the quoted price/ not applicable, it will not be reimbursed by the Purchaser.

d) Purchaser proposes to make sale-in-transit under section 6 (2) (b) of Central Sales Tax Act where goods movement is inter-state. Form-C shall be issued and exchanged against Form-E1/E2 based on quarterly transactions. Seller/Contractor is required to submit his request in the format enclosed at Annexure-VI within 30 days from end of the Quarter, giving State-wise invoice details.

e) In compliance with the notification No. CCW/CR-44-2013-14 dt. 29/04/2014 issued by Commercial Tax Dept., Govt. of Karnataka, vendors shall submit all the requisite documents within 10 days of dispatch for the purpose of issuance of 'C' forms. Timely issuance of 'C' form will depend on the compliance of this condition.

Note: In case of non-receipt of E1/E2 forms amount of differential tax payable by BHEL shall be to vendors' account.

f) VAT invoices, in format prescribed by the respective State Sales Tax Act, have to be submitted in the name of Nodal Agency specified in "Commercial Conditions of Contract (CCC)".

2.32.3 EXCISE DUTY:

Normally Excise Duty shall be included in the quoted basic price for supply of items. If the NIT calls for separate payment of Excise Duty, the same shall be governed by the following clauses:

a) Excise Duty shall be payable extra at actual on submission EDGP/ Invoice cum EDGP, as per the rates prevailing at the time of dispatch (within the contractual delivery period) subject to the limiting values.

2.32.4 Other Conditions

a) 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. Implication due to such changes shall be to Purchaser's account.

b) TDS under Income Tax, Karnataka 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.

c) Any other taxes and duties (except Service Tax) if any, as applicable, viz. Entry Tax, Octroi, Licenses, Deposits, Royalty, Stamp Duty, other charges / levies, etc. prevailing / applicable on the date of opening of technical bids and any variation thereof during the tenure of the contract are in the scope of bidder. In case BHEL is forced to pay any such taxes, BHEL shall have the right to recover the same from the bidder either from running bills or otherwise as deemed fit.

d) The bidder shall get registered with State VAT authorities and the registration certificate shall be forwarded to BHEL immediately after commencement of work. In case the bidder had already registered under respective State VAT, they must quote their registration Number and forward copy of Registration Certificate while submitting this tender.

e) Contractor has to obtain VAT Clearance Certificate from the concerned authorities as per the provisions of local VAT act, on completion of the project and submit along with the final bill.

f) Contractors are responsible to furnish all documentary evidences towards payment of Works Contract Tax or any other tax (as applicable) as and when required by BHEL as well as "TAX INVOICE".

g) The Contractor has to make his own arrangement at his cost for completing the formalities, if required, with State V.A.T. Act Authorities, for bringing their materials, plants and machinery at Site for the execution of the Works under this Contract, Road Permit / Way Bill, shall

be arranged by the Contractor for bringing their own tools and plants (Capital Goods) and BHEL will not supply any Road Permit/Way Bill for this purpose. The Contractor must be a Registered Dealer with the State VAT Act, if not Registered yet and a copy of the said Registration Certificate along with TIN Number must be provided to Site R.A.O.

- h) 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.
- i) Statutory variations are applicable only in the cases of Value Added Tax (if quoted separately) and Service Tax. The changes implemented by the Central / State Government in the VAT Act / Service Tax during the tenure of the contract viz. increase / decrease in the rate of taxes, applicability, etc. and its impact on upward revision / downward revision are to be suitably paid/ adjusted from the date of respective variation. The bidder shall give the benefit of downward revision in favour of BHEL. No other variations shall be allowed during the tenure of the contract.

2.33 CONSUMABLE

- a) All consumables, like gas, electrodes, chemicals, lubricants etc. required for the scope of work, shall be arranged by the contractor at his cost from approved brand/make unless otherwise specifically mentioned in the contract.
- b) All consumables to be used for the job shall have to be approved by BHEL/ BHEL's Customer prior to use.
- c) In the event of failure of contractor to bring necessary and sufficient consumables, BHEL may arrange for the same at the risk and cost of the contractor. The entire cost towards this along-with overhead shall be paid by the contractor or deducted from the contractor's bills. The actual cost incurred along with the departmental charges @15% will be recovered from the contractor.
- d) Any material or Service to be issued / rendered by BHEL (unless specially stipulated to be free of cost / cost recoverable basis) to the bidder, the same shall be made available along with 15% departmental charges except as specified elsewhere in the technical specification over and above the cost. BHEL shall not be responsible for any delay due to this reason and delay shall be to the bidders account.

2.34 General

2.34.1 MMD: Contractor shall ensure deployment of reliable & calibrated instrument, measuring and test equipment (MMD). The MMD shall have test calibration certificate from authorized/ Govt approved agencies. Contractor shall also keep provision of alternate engagement for such MMD so that the work does not suffer when a particular MMD is sent for calibration. Re-testing/ re-calibration shall also be arranged by contractor at contractor's own cost at regular interval during the period of use as advised by BHEL.

2.34.2 CONTRACTOR'S RESPONSIBILITIES UNDER THE SCOPE OF WORK

- a) It would be contractor's responsibility to keep in touch with BHEL authorities at site to find out the arrival of the consignments. The railway/ transport receipts for the consignments shall be handed over to contractor immediately on receipt.
- b) Contractor are required to find out from railway/ transport authorities, regarding consignment arriving prior to receipt of railway/ transport

receipts, if any and take delivery of the same on 'Indemnity Bond', which should be got signed by BHEL/ purchaser as required.

- c) It would be contractor's responsibility, to examine the packages, consignments etc on arrival and bring to the notice of railway/ transport authorities and BHEL authorities the loss/ damages, if any, observed in the consignments. Before taking delivery particularly of consignments in "smalls", the weight of the same will be checked with the invoiced weight & any discrepancies shall be reported immediately to BHEL/ transport authority/ railway. It would be contractor's responsibility to sign on the delivery book/ acknowledgement slip of railway/ Transport authority after taking delivery of the consignment.
- d) Any discrepancy/ shortage/ damage found in the consignment after taking delivery and giving clear receipt to the carriers, would be contractor's responsibility and the amount liable to be lost by BHEL on such accounts is recoverable from contractor, as per the calculation of amount of such loss made by BHEL.
- e) In case of apparent damages/ shortages to/ in consignment packing or any transshipment noticed by contractor, such cases shall be brought to the notice of BHEL and cleared only with their knowledge/ approval.
- f) Wagon / truck / trailer coming on Sunday and holidays, are also required to be handled by contractor. Since the offices and go-downs will probably remain closed on these days, it will be contractor's responsibility to contact the site engineer or the authorised representative of BHEL at their residence and obtain instructions.
- g) BHEL reserves the right to recover from contractor any loss, which arises out of undue delay/ discrepancy/ shortage/ damage/ theft/ pilferage or any other causes during transit between the Railway siding/ transporter's go-down/ material receiving point and BHEL stores/ storage yard/ work site or during verification, stacking or at any time in contractor's custody.
- h) Unloading from wagons/ trucks/ trailers, re-loading, transportation, unloading at storage yard/ store/ work site of heavy/ sophisticated equipment shall be done as per the directions of BHEL's engineer and in his presence, if required.
- i) Certain packages are likely to be received by passenger trains. The relevant parcel way bills also are to be handed over to contractor for clearing the same from the railway parcel office. It is contractor's responsibility to clear the same at the railway station, transport and hand over to BHEL authorities at site, and is under the scope of this contract. Consignment coming by road, are also to be cleared similarly. The distance of railway station and the transporter's godown from site will be within approx 50 (fifty) kms.
- j) Any demurrage payable to railways or transporters for any delay in clearing the goods due to any fault on contractor's part shall be borne by contractor. The decision of BHEL engineer in this regard will be final and binding on contractor. However, contractor have to clear all such charges, if any, in this regard and complete the job without waiting for BHEL's decision.
- k) Complete list of T&P (TOOLS & PLANTS)/ equipment which shall be provided by contractor, is to be furnished in detail with the tender (in line with relevant annexure of GCC).
- l) It will be contractor's responsibility to collect the used road permits from driver of truck/ trailer, as applicable and hand over to BHEL site office through format as given in relevant annexure of tender.

2.34.3 **PROGRESS OF WORK**

- a) 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.
- b) Contractor shall submit monthly progress reports as per the Format given in relevant annexure of the tender, together with requisite nos of photograph, as detailed elsewhere, showing material receipt position and location, to the Resident Manager with a copy to Project Manager at BHEL/ ISG/ HQ. Manpower reports, material reports, consumables reports, and other reports considered necessary by the Engineer will also have to be submitted with a copy to Project Manager at BHEL/ ISG/ HQ.
- c) Contractor shall take on average five colour digital photograph/ slides each month (not less than one per week) of the works during progress. In case of failure in providing such photograph in each month, an amount of Rs. 10,000/- per month shall be deducted from contractor's RA bill.
- d) The manpower reports shall clearly indicate the manpower deployed category wise daily specifying also the activities in which they are engaged. The periodicity of the reports will be decided by BHEL engineer at site.
- e) Contractor shall arrange for weekly progress review meetings with the engineer at site during which actual progress during the week vis-a-vis scheduled program shall be discussed for action to be taken for achieving targets. The program for subsequent week shall also be presented by contractor for discussions. Contractor shall constantly update/ revise contractor's works program too meet the overall requirement and suit the material availability.
- f) 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).

2.34.4 SPECIFIC REQUIREMENTS FOR ISO 9002

- a) Contractor shall ensure that all contractor's staff/ employees are exposed to periodical training programs conducted by qualified agencies/ personnel on ISO-9002 Standards.
- b) Contractor shall ensure that the quality is maintained in all the works connected with this contract at all stages of the requirement of BHEL.
- c) Contractor shall ensure that all Inspection, measuring and testing equipment that are used, whether owned by contractor or used on loan, are calibrated by the authorized agencies and valid calibration certificate will be available with them for verification by BHEL. A list of such instruments possessed by contractor at site with its calibration status is to be submitted to BHEL engineer for control.
- d) Contractor shall ensure that fitness certificate of the tools & plants, that are in use, whether owned by contractor or issued on loan, are tested by authorised agency & valid fitness certificate are available for verification by BHEL.
- e) Contractor shall arrange for the inspection of the works at various stages as required by BHEL. Contractor shall take immediate corrective action for the non-conformances if any, observed and pointed out by BHEL.

2.34.5 LABOR AND SUPERVISORY STAFF

- a) Contractor shall engage specially skilled labor e.g sarangs, riggers, etc

and khalasis for works under this contract.

- b) Contractor shall provide adequate number of supervisory staff for carrying out job under this contract. The supervisory staff employed by contractor should be familiar with BHEL material identification pattern. Contractor shall ensure proper out turn of work and discipline on the part of about put on the job by contractor. They will also in general see that the works are carried out in a safe and proper manner and in co-ordination with labor and staff employed directly by BHEL or other contractor of BHEL or customer.
- c) It will be contractor's responsibility to ensure safe lifting of the equipment' material taking due precautions to avoid any accident and damage to other equipment and personnel. Contractor shall be liable for all accidents, damages, etc to personnel and equipment etc. during the execution of the work by contractor.

2.34.6 Other General Terms

- a) While contractor's scope include deployment of all resources, like T&P (TOOLS & PLANTS), materials, consumables, manpower including supervision etc for proper completion of the subject job and no subcontracting for execution of the job is allowed by BHEL, depending on project's requirement and on prior acceptance of BHEL, contractor may associate agencies for deployment of skilled/unskilled manpower only for site execution. Contractor should arrange all resources, like T&P (TOOLS & PLANTS), materials, consumables, supervision etc directly for the subject job.
- b) The contractor shall be responsible for timely submission of loss/damage/theft to the Under-writer, assistance in lodging & settlement of claim for losses/ damages/ theft/ lodging of FIR with police. Any consequential loss arising out of non-compliance of this stipulation will be borne by contractor.
- c) It is the entire responsibility of the contractor to insure his workmen against accident and injury while at work as required by the relevant rules and to pay compensation, if any, to their workmen as per workmen's compensation act. The contractor has also to insure his staff against accident/injury. The contractor has to take insurance cover for his tools and plants, assets etc.
- d) These insurance covers have to be taken prior to start of work at project and he shall make available the policy to BHEL site-in-charge for necessary verification before commencement of work. However, irrespective of such verification/ acceptance, the sole responsibility to maintain adequate insurance cover for his workmen, T&P (TOOLS & PLANTS), assets etc at all times during the period of contract shall lie with the contractor. Regarding the aforesaid insurance cover, the contractor shall directly deal with the Insurance Company for all matters regarding the insurance in his scope
- e) The contractor will take necessary precautions/ due care to protect the material at Project site, while in his custody from any damage/loss till the same is handed over to BHEL/ owner at project site. For lodging/ processing of insurance claim the contractor will submit necessary documents. BHEL will reserve the right to recover the loss from the contractor as detailed below in case the damage/loss is due to negligence/carelessness on the part of the contractor. In case of theft of material under contractor's custody, the same shall be reported to police by the contractor immediately and copy of FIR and subsequently police investigation report shall be submitted to BHEL/ owner for taking up with insurance. However this will not relieve the contractor of his

- contractual obligation for the materials in his custody.
- f) It will be responsibility of the contractor to replenish the items lost/damaged in time without hampering the schedule of work and without waiting for settlement of insurance claim. Amount received from the underwriters on settlement of insurance claim shall be passed on to the contractor as and when available.
 - g) Contractor will make contractor's own arrangement for contractor's communication needs at contractor's site office or residential area/labor colony.
 - h) It may be required to keep separate cranes at various receipt points for loading/ unloading of materials specially for materials received by rail. All T&P (TOOLS & PLANTS)s, lifting tackles and pulling devices to be deployed by contractor must bear valid/ latest test certificates for contractor's suitability and the documents shall be preserved at site. Contractor shall ensure deployment of reliable and calibrated instrument, measuring and test equipments (IMTE). The IMTE, as required for the job, shall; have valid test/' calibration certificate from authorized/ Govt. approved agencies. Contractor shall also keep provision of alternate arrangement for such IMTE so that the work does not suffer when a particular IMTE is sent for calibration. Re-testing.' re-calibration shall also to be arranged by contractor at contractor's own cost at regular interval during the period of use as advised by BHEL.
 - i) Contractor shall submit a list of various tools, plants, material handling equipment etc being provided by them, to the Resident Manager, BHEL site before taking up the work in hand. The above items shall be deployed by contractor after taking prior approval of the Resident Manager with respect to their suitability and quality. These equipments shall not be removed from site without the written permission of the Resident Manager, BHEL site.
 - j) In event of any failure on contractor's part in providing necessary T&P (TOOLS & PLANTS) etc, BHEL may at its discretion also terminate the contract on this ground and take out any or whole amount of the contract from contractor's scope. Decision of BHEL in this regard will be final and binding on contractor.
 - k) All consumables required for the work shall be provided by contractor at contractor's own cost. However, the tentative list of consumables to be provided by contractor are given in relevant annexure of the tender. The consumables supplied by contractor shall be subject to prior approval of BHEL.
 - l) Contractor shall provide necessary first aid facilities for all contractor's employees, representatives and workmen working at site.
 - m) During the period of contract contractor shall be responsible for keeping the entire area allotted to him clean and free from rubbish debris etc to entire satisfaction of BHEL. Contractor shall provide proper sanitary arrangement in the work area & office.
 - n) Work procedures that are to be used during the work shall be such, as to minimize fire hazards to the extent practicable. Combustible materials, waste and rubbish shall be collected and removed from the site, at least once in every week.
 - o) All contractor's supervisory personnel and sufficient number of workers shall be trained for fire-fighting and shall be assigned specific fire protection duties.
 - p) Contractor shall provide & maintain enough (at least 15 nos) of fire protecting equipment of the types and number for contractor's office & work premises and BHEL office & stores. Access to such fire protection

equipment is to be given at all times. Compliance of the above requirement under fire protection shall in no way relieve contractor of any of contractor's responsibility and liabilities to fire accident occurring either to contractor's materials, man and equipment or to those of other's working in the area.

- q) Contractor shall have total responsibility for all materials in contractor's custody, and shall ensure protection of all materials from theft, fire, pilferage and any other damage and loss. Contractor shall make suitable and adequate arrangement to ensure the above, by deploying security personnel.
- r) In case of theft of material from store/ storage yard under contractor's custody, contractor shall lodge FIR with the Police Station (PS) so that Insurance Company does not turn down the claim. In the event of non-admittance of the claim by Insurance Company due to non-availability of FIR, BHEL reserves the right to recover the Loss suffered from contractor's bills based on the merit of the case.
- s) Contractor shall be responsible to ensure that none of the personnel move beyond the areas marked out for contractor's operation. In case of a need for contractor's personnel to move beyond the area marked for him, the same shall be done with a written permission of the Resident Manager.
- t) Contractor shall be responsible for examining all the shipment and notify the BHEL engineer immediately of any damage, shortage, discrepancies etc for the purpose of engineer's information only. Contractor shall submit to the engineer a report detailing all the receipts after actual receipts of consignments. However, contractor shall be solely responsible for any shortage or damage after giving a clear receipt to railway/ transport companies, and for shortages/ damages during transit from material receipt/ unloading point to stores/ storage yard/ work site.
- u) Contractor shall maintain an accurate and exhaustive record detailing out the list of all materials/ equipment received by him and keep such records both in hard copies and also in soft copies in BHEL Computerized system ready for the inspection of the engineer at any time.
- v) The materials/ equipment which are stored in the open or dusty location and required to be covered must be covered with suitable weatherproof and flameproof covering materials wherever applicable at any number of times at no additional cost. Such weatherproof/ flameproof covering which gets worn out from uses should be replaced periodically as per instruction of BHEL engineer at no additional cost. In no occasion, this work can be linked with preservation. All materials/ equipment shall be handled very carefully to prevent any damage/ loss. No bare wire ropes/ slings etc shall be used without the specific approval of BHEL.
- w) If the materials/ equipments belonging to contractor are stored in areas other than those earmarked for him, the engineer will have the right to get it shifted to the area earmarked for contractor at contractor's cost.
- x) For completion of work, contractor may have to work in one or more shifts. Contractor will not be eligible for any extra charges on account of this. All the contractor's employees shall carry identification cards/ gate passes while working.
- y) Contractor, during execution of the work under scope, shall take utmost care in preserving the identification marks/ tags as available on

the materials.

- z) Although all tools and plants of suitable capacities required for timely and safe completion of work under the specification shall be provided by contractor at contractor's own cost, based on contractor's demand (depending upon load to be lifted or approach availability at site), However, such requirement shall be intimated in writing by contractor suitably to the Resident Manager. Daily routine maintenance, monthly servicing of crane etc. of BHEL, will be under the scope of BHEL. Provision of T&P (TOOLS & PLANTS) by BHEL shall be subject to following.
- aa) Actual use of T&P (TOOLS & PLANTS) including marching as per entry in log-book duly certified by BHEL engineer shall be considered for calculation of overtime charges.
- bb) Contractor shall be responsible for the safe and proper use of T&P (TOOLS & PLANTS) issued to him. Any loss/ damage to any part of the above T&P (TOOLS & PLANTS), for reason attributable to contractor shall be to contractor's account. In case contractor fail to make good the loss, and expenditures on these account will be recovered from their bills. BHEL's decision in this regard shall be final and binding on contractor.
- cc) Contractor shall have to return the above T&P (TOOLS & PLANTS) at the earliest in good working condition, subject to normal wear & tear.
- dd) T&P (TOOLS & PLANTS) issued shall be used only for the designated scope of work under specification.
- ee) If at any time, it is noticed that contractor are not using any of the T&P (TOOLS & PLANTS) properly according to the instruction of BHEL, BHEL will have the right to withdraw any and all such T&P (TOOLS & PLANTS) and any cost due to this shall be to contractor's account.

Annexure-I to GCC (for Services)

FORMS**INDEX**

SN	Description	Form No	Remarks
1	Offer forwarding Letter/ Tender Submission Letter	F-1 (Rev 0)	
2	Declaration by Authorized Signatory of Bidder	F-2 (Rev 0)	
3	No Deviation Certificate	F-3 (Rev 0)	
4	Declaration confirming knowledge about Site Conditions	F-4 (Rev 0)	
5	Declaration for relation in BHEL	F-5 (Rev 0)	
6	Non Disclosure Certificate	F-6 (Rev 0)	
7	Bank Account Details for E-Payment	F-7 (Rev 0)	
8	Form for seeking clarifications	F-8 (Rev 0)	
9	Format for Bank Guarantee (For Earnest Money Deposit)	F-9 (Rev 0)	
10	Format for Bank Guarantee (In lieu of Security Deposit)	F-10 (Rev 1)	
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Form No: F-1 (Rev 0)

OFFER FORWARDING LETTER/TENDER SUBMISSION LETTER

(To be typed and submitted in the Letter Head of the Company/Firm of Bidder)

Offer Reference No:..... Date:

To,

(Write Name & Address of Officer of BHEL inviting the Tender)

Dear Sir,

Sub : Submission of Offer against Tender Specification No:

I/We hereby offer to carry out the work detailed in the Tender Specification issued by Bharat Heavy Electricals Limited, Industrial Systems Group, Bangalore, in accordance with the terms and conditions thereof.

I/We have carefully perused the following listed documents connected with the above work and agree to abide by the same.

1. Amendments/Clarifications/Corrigenda/Errata/etc issued in respect of the Tender documents by BHEL
2. Notice Inviting Tender (NIT)
3. Price Bid
4. Commercial Conditions of Contract
5. General Conditions of Contract
6. Forms and Procedures

Should our Offer be accepted by BHEL for Award, I/we further agree to furnish 'Security Deposit' for the work as provided for in the Tender Conditions within the stipulated time as may be indicated by BHEL.

I/We further agree to execute all the works referred to in the said Tender documents upon the terms and conditions contained or referred to therein and as detailed in the appendices annexed thereto.

I/We have deposited/depositing herewith the requisite Earnest Money Deposit (EMD) as per details furnished in the Check List.

Authorized Representative of Bidder

Signature :

Name :

Address :

Place:

Date:

Form No: F-2 (Rev 0)**DECLARATION BY AUTHORISED SIGNATORY OF BIDDER**

(To be typed and submitted in the Letter Head of the Company/Firm of Bidder)

To,

(Write Name & Address of Officer of BHEL inviting the Tender)

Dear Sir,

Sub : Declaration by Authorized Signatory

Ref : 1) NIT/Tender Specification No:

2) All other pertinent issues till date

I/ We, hereby certify that all the information and data furnished by me with regard to the above Tender Specification are true and complete to the best of my knowledge. I have gone through the specifications, conditions, stipulations and all other pertinent issues till date, and agree to comply with the requirements and Intent of the specification.

I further certify that I am authorized to represent on behalf of my Company/Firm for the above mentioned tender and a valid Power of Attorney to this effect is also enclosed.

Yours faithfully,

(Signature, Date & Seal of Authorized Signatory of the Bidder)

Date:

Enclosed: Power of Attorney

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Form No: F-3 (Rev 0)
NO DEVIATION CERTIFICATE

(To be typed and submitted in the Letter Head of the Company/Firm of Bidder)

To,

(Write Name & Address of Officer of BHEL inviting the Tender) Dear Sir,

Dear Sir,

Sub : No Deviation Certificate

Ref : 1)NIT/Tender Specification No: ,
2) All other pertinent issues till date

We hereby confirm that we have not changed/ modified/materially altered any of the tender documents as downloaded from the website/ issued by BHEL and in case of such observance at any stage, it shall be treated as null and void.

We also hereby confirm that we have neither set any Terms and Conditions and nor have we taken any deviation from the Tender conditions together with other references applicable for the above referred NIT/Tender Specification.

We further confirm our unqualified acceptance to all Terms and Conditions, unqualified compliance to Tender Conditions, Integrity Pact (if applicable) and acceptance to Reverse Auctioning process.

We confirm to have submitted offer in accordance with tender instructions and as per aforesaid references.

Thanking you,

Yours faithfully,

(Signature, date & seal of authorized representative of the bidder)

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Form No: F-4 (Rev 0)
DECLARATION CONFIRMING KNOWLEDGE ABOUT SITE CONDITIONS
 (To be typed and submitted in the Letter Head of the Company/Firm of Bidder)

To,

(Write Name & Address of Officer of BHEL inviting the Tender)

Dear Sir,

Sub : Declaration confirming knowledge about Site conditions

Ref : 1)NIT/Tender Specification No:..... ,
 2) All other pertinent issues till date

I/We, hereby declare and confirm that we have visited the Project Site as referred in BHEL Tender Specifications and acquired full knowledge and information about the Site conditions including Wage structure, Industrial Climate, the Law & Order and other conditions prevalent at and around the Site. We further confirm that the above information is true and correct and we shall not raise any claim of any nature due to lack of knowledge of Site conditions.

I/We, hereby offer to carry out work as detailed in above mentioned Tender Specification, in accordance with Terms & Conditions thereof.

Yours faithfully,

(Signature, Date & Seal of Authorized Representative of the Bidder)

Date:

Place:

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Form No: F-5 (Rev 0)

DECLARATION FOR RELATION IN BHEL

(To be typed and submitted in the Letter Head of the Company/Firm of Bidder failing which the offer of Bidder is liable to be summarily rejected)

To,

(Write Name & Address of Officer of BHEL inviting the Tender)

Dear Sir,

Sub : Declaration for relation in BHEL

Ref: 1) NIT/Tender Specification No:,

I/ We hereby submit the following information pertaining to relation/ relative of Proprietor/ Partner(s)/ Director(s) employed in BHEL.

Tick(✓) any one as applicable:

- 1 The Proprietor, Partner(s), Director(s) of our Company/Firm DO NOT have any relation or relatives employed in BHEL

OR

- 2 The Proprietor, Partner(s), or Director(s) of our Company/Firm HAVE relation/relatives employed in BHEL and their particulars are as below:

(i)

(ii)

Attach separate sheet, if necessary.

If BHEL Management comes to know at a later date that the information furnished by the Bidder is false; BHEL reserves the right to take suitable against the Bidder/Contractor.

(Signature, Date & Seal of Authorized Representative of the Bidder)

Date:

Place:

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Form No: F-6 (Rev 0)
NON DISCLOSURE CERTIFICATE

(To be typed and submitted in the Letter Head of the Company/Firm of Bidder)

I/We understand that BHEL ISG is committed to Information Security Management System as per their Information Security Policy.

Hence I/We, M/s _____, who are submitting offer for providing services to BHEL ISG against Tender Specification No: _____, hereby undertake to comply with the following in line with Information Security Policy of BHEL ISG, Bangalore.

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 ISG.

(Signature, date & seal of Authorized Signatory of the bidder)

Date:

Place:

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Form No: F-7 (Rev 0)
BANK ACCOUNT DETAILS FOR E-PAYMENT

(To be given on Letter head of the Company /Firm of Bidder, and **ENDORSED (SIGNED & STAMPED) BY THE BANK** to enable BHEL release payments through Electronic Fund Transfer (NEFT/RTGS)

Vendors Name	
Vendor Address	
BANK NAME	
BANK BRANCH	
BANK ADDRESS	
BANK BRANCH CODE	
BANK 9 DIGIT MICR CODE	
BANK NEFT CODE(IFC)	
BANK SWIFT CODE	
BANK PHONE	
ACCOUNT NAME	
ACCOUNT TYPE	
ACCOUNT NO.	
PAN NO.	
SERVICE TAX NO.	
TIN NO.	
E-MAIL ID	

NOTES:

1. In case Bank endorsed certificate regarding above has already been submitted earlier, kindly submit photocopy of the same.
2. Copy of cancelled cheque shall be enclosed.

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Form No: F-8 (Rev 0)
FORMAT FOR SEEKING CLARIFICATION

(To be typed and submitted in the Letter Head of the Company/Firm of Bidder)

To,

(Write Name & Address of Officer of BHEL inviting the Tender)

Dear Sir,

Sub : Request for Clarification

Ref : 1) NIT/Tender Specification No:
2) All other pertinent issues till date

Sl. No.	Reference Clause of Tender Document	Existing Provision	Bidder's Query	BHEL's Clarification
1				
2				
3				

Yours faithfully,

(Signature, date & seal of Authorized Signatory of the bidder)

Date:

Place:

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Form No: F-9 (Rev 0)

FORMAT FOR BANK GUARANTEE (for EARNEST MONEY DEPOSIT)
(Applicable only for the amount in excess of Rs. 20 lakhs)

In consideration of the Bharat Heavy Electricals Limited ¹ incorporated under the Companies Act, 1956 and having its registered office at BHEL House, Siri Fort, New Delhi - 110049 through its Unit at Industrial Systems Group, Bangalore (hereinafter referred to as 'BHEL' which expression shall unless repugnant to the context or meaning thereof, include its successors and permitted assigns) having agreed to accept from (Name of the Bidder) having its registered office at _____ ² (hereinafter called the said Bidder which term includes supplier), towards demand under the terms and conditions of the Notice inviting tender (NIT) documents reference No. 88/16/6043/RSB dated 20th Oct 2016 (hereinafter called the said NIT) of Earnest Money Deposit (EMD) for the due fulfilment by the said Bidder of the terms and conditions contained in the said NIT, on production of a Bank Guarantee for Rs. _____ ⁵ (Rupees _____ only), we _____ (indicate the name and address of the Bank) having its Head Office at _____ (address of the head Office) (hereinafter referred to as the Bank) at the request of _____ Bidder do hereby undertake to pay to BHEL an amount not exceeding Rs. _____ in the event of any breach by the said Bidder of any of the terms and conditions contained in the said NIT with respect to the EMD clause..

We, _____ (indicate the name of the Bank), do hereby undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from BHEL. Any such demand made on the bank, shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs. _____.

We undertake to pay to BHEL any money so demanded notwithstanding any dispute or disputes raised by the Bidder in any suit or proceeding pending before any Court or Tribunal relating thereto our liability under this present being absolute and unequivocal.

The payment so made by us under this guarantee shall be a valid discharge of our liability

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for payment hereunder and the Bidder shall have no claim against us for making such payment.

We, further agree that the guarantee herein contained shall remain in full force and effect for a period of six months from the date of bid opening and extended further if required based on the request of BHEL. till all the Bid requirements of BHEL under or by virtue of the said NIT have been fully met and its claim satisfied or discharged or till _____

6 office/Department/Division of Bharat Heavy Electricals Limited certifies that the terms and conditions of the said NIT have been fully and properly fulfilled by the said Bidder and accordingly discharges this guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before the _____7, we shall be discharged from all the liability under this guarantee thereafter.

We, _____ (indicate the name of the Bank) _____ further agree with BHEL that BHEL shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said NIT from time to time, or to postpone for any time or from time to time any of the powers exercisable by BHEL against the said Bidder and to forbear or enforce any of the terms and conditions relating to the said NIT and we shall not be relieved from our liability by any reason of any such variation or extension being granted to the said Bidder or for any forbearance, act or omission on the part of BHEL or any indulgence by BHEL to the said Bidder or by any such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us.

This guarantee will not be discharged due to the change in the constitution of the Bank or the Bidder.

We,..... BANK lastly undertake not to revoke this guarantee during its currency except with the previous consent of BHEL in writing.

Notwithstanding anything to the contrary contained hereinabove:

- a) The liability of the Bank under this Guarantee shall not exceed.....⁸
- b) This Guarantee shall be valid up to⁹

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- c) Unless the Bank is served a written claim or demand on or before _____¹⁰ all rights under this guarantee shall be forfeited and the Bank shall be relieved and discharged from all liabilities under this guarantee irrespective of whether or not the original bank guarantee is returned to the Bank.

We, _____ (indicate the name of the Bank) _____ lastly undertake not to revoke this guarantee during its currency except with the previous consent of BHEL in writing.

Date _____ Day of _____

For _____ (indicate the name of the Bank) _____

(Signature of Authorised signatory)

* This date to be indicated should not be earlier than 60 days after the date contemplated under the contract.

¹ NAME AND ADDRESS OF THE EMPLOYER. I.e Bharat Heavy Electricals Limited

² NAME AND ADDRESS OF THE BIDDER/VENDOR/CONTRACTOR/SUPPLIER.

³ DETAILS ABOUT THE NOTICE INVITING TENDER.

⁴ PROJECT/SUPPLY DETAILS

⁵ BG AMOUNT IN FIGURES AND WORDS

⁶ VALIDITY DATE

⁷ DATE OF EXPIRY OF CLAIM PERIOD

⁸ BG AMOUNT IN FIGURES AND WORDS.

⁹ VALIDITY DATE

¹⁰ DATE OF EXPIRY OF CLAIM PERIOD

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Notes :

- 1. The expiry of claim period shall be kept 3 months beyond the validity date.**
- 2. In Case of Bank Guarantees submitted by Foreign Vendors :-**
 - a. From Nationalized/Public Sector / Private Sector/ Foreign Banks (BG issued by Branches in India)** can be accepted subject to the condition that the Bank Guarantee should be enforceable in the town/city or at nearest branch where the Unit is located i.e. Demand can be presented at the Branch located in the town/city or at nearest branch where the Unit is located.
 - b. From Foreign Banks (wherein Foreign Vendors intend to provide BG from local branch of the Vendor country's Bank)**
 - b.1** In such cases, in the Tender Enquiry/ Contract itself, it may be clearly specified that Bank Guarantee issued by **any of the Consortium Banks only** will be accepted by BHEL. As such, Foreign Vendor needs to make necessary arrangements for issuance of Counter- Guarantee by Foreign Bank in favour of the Indian Bank (BHEL's Consortium Bank). All charges for issuance of Bank Guarantee/ counter- Guarantee should be borne by the Foreign Vendor. The tender stipulation should clearly specify these requirements.
 - b.2 In case, Foreign Vendors intend to provide BG from Overseas Branch of BHEL Consortium Bank** (e.g. if a BG is to be issued by SBI, Frankfurt), the same is acceptable. However, the procedure at **sl.no. b.1** shall be strictly followed.
 - b.3** The BG issued may preferably be subject to Uniform Rules for Demand Guarantees (URDG) 758 (as amended from time to time). In case, of Foreign Vendors, the BG Format provided to them should clearly specify the same.
 - b.4** The BG should clearly specify that the demand or other document can be presented in electronic form.

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Form No: F-10 (Rev 01)
FORMAT FOR BANK GUARANTEE (in lieu of SECURITY DEPOSIT)

In consideration of the Bharat Heavy Electricals Limited¹ (hereinafter referred to as the 'Employer' which expression shall unless repugnant to the context or meaning thereof, include its successors and permitted assigns) incorporated under the Companies Act, 1956 and having its registered office at _____ through its Unit at.....(name of the Unit) having agreed to exempt (Name of the Vendor / Contractor / Supplier) having its registered office at_____² (hereinafter called the said Contractor which term includes supplier), from demand under the terms and conditions of the Contract reference No._____dated_____³ valued at Rs.....⁴ (Rupees -----)⁴ (hereinafter called the said Contract) of Security Deposit for the due fulfillment by the said contractor of the terms and conditions contained in the said Contract, of production of a Bank Guarantee for Rs. _____⁵ (Rupees__only), we (indicate the name and address of the Bank) having its Head Office at_____(address of the head Office) (hereinafter referred to as the Bank) at the request of_____ [Contractor(s)] do hereby undertake to pay to the Employer an amount not exceeding Rs._____in the event of any breach by the said Contractor(s) of any of the terms and conditions contained in the said Contract.

We,_____(indicate the name of the Bank), do hereby undertake to pay the amounts due and payable under this guarantee without any demur, merely on a demand from the Employer. Any such demand made on the bank, shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs._____.

We undertake to pay to the Employer any money so demanded notwithstanding any dispute or disputes raised by the Contractor(s) in any suit or proceeding pending before any Court or Tribunal relating thereto our liability under this present being absolute and unequivocal.

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The payment so made by us under this guarantee shall be a valid discharge of our liability for payment hereunder and the Contractor(s) shall have no claim against us for making such payment.

We, further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Contract and that it shall continue to be enforceable till all the dues of the Employer under or by virtue of the said Contract have been fully paid and its claim satisfied or discharged or till _____⁶ office/Department/Division of Bharat Heavy Electricals Limited certifies that the terms and conditions of the said Contract have been fully and properly carried out by the said contractor(s) and also including the satisfactory performance of the equipment during guarantee period and accordingly discharges this guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before the _____⁷, we shall be discharged from all the liability under this guarantee thereafter.

We, (indicate the name of the Bank) further agree with the Employer that the Employer shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Contract or to extend time of performance by the said contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the Employer against the said contractor(s) and to forbear or enforce any of the terms and conditions relating to the said Contract and we shall not be relieved from our liability by any reason of any such variation or extension being granted to the said contractor(s) or for any forbearance, act or omission on the part of the Employer or any indulgence by the Employer to the said contractor(s) or by any such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us.

This guarantee will not be discharged due to the change in the constitution of

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the Bank or the Contractor(s).

We,..... BANK lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Employer in writing.

Notwithstanding anything to the contrary contained hereinabove:

- i) The liability of the Bank under this Guarantee shall not exceed..... 8
- ii) This Guarantee shall be valid up to 9
- iii) Unless the Bank is served a written claim or demand on or before.....¹⁰ under this guarantee shall be forfeited and the Bank shall be relieved and discharged from all liabilities under this guarantee irrespective of whether or not the original bank guarantee is returned to the

We,____(indicate the name of the Bank)____lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Employer in writing.

Date_____Day of_____

For_____(indicate the name of the Bank)_____

(Signature of Authorized signatory)

* This date to be indicated should not be earlier than 60 days after the date contemplated under the contract.

¹ NAME AND ADDRESS OF THE EMPLOYER. I.e Bharat Heavy Electricals Limited

² NAME AND ADDRESS OF THE VENDOR /CONTRACTOR / SUPPLIER .

³ DETAILS ABOUT THE NOTICE OF AWARD/CONTRACT REFERENCE

⁴ PROJECT/SUPPLY DETAILS

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5 BG AMOUNT IN FIGURES AND WORDS

6 VALIDITY DATE

7 DATE OF EXPIRY OF CLAIM PERIOD

8 BG AMOUNT IN FIGURES AND WORDS.

9 VALIDITY DATE

10 DATE OF EXPIRY OF CLAIM PERIOD

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Note:

In Case of Bank Guarantees submitted by Foreign Vendors :-

- **From Nationalized/Public Sector / Private Sector/ Foreign Banks (BG issued by Branches in India)** can be accepted subject to the condition that the Bank Guarantee should be enforceable in the town/city or at nearest branch where the Unit is located i.e. Demand can be presented at the Branch located in the town/city or at nearest branch where the Unit is located.
- **From Foreign Banks (wherein Foreign Vendors intend to provide BG from local branch of the Vendor country's Bank)**
- In such cases, in the Tender Enquiry/ Contract itself, it may be clearly specified that Bank Guarantee issued by **any of the Consortium Banks only** will be accepted by BHEL. As such, Foreign Vendor needs to make necessary arrangements for issuance of Counter- Guarantee by Foreign Bank in favour of the Indian Bank (BHEL's Consortium Bank). It is advisable that all charges for issuance of Bank Guarantee/ counter- Guarantee should be borne by the Foreign Vendor. The tender stipulation should clearly specify these requirements.
- **In case, Foreign Vendors intend to provide BG from Overseas Branch of our Consortium Bank** (e.g. if a BG is to be issued by SBI Frankfurt), the same is acceptable. However, the procedure at **sl. no. b.1** will required to be followed.
- The BG issued may preferably be subject to Uniform Rules for Demand Guarantees (URDG) 758 (as amended from time to time). In case, of Foreign Vendors, the BG Format provided to them should clearly specify the same.
- The BG should clearly specify that the demand or other document can be presented in electronic form.

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List of Consortium Banks

	Nationalised Banks		Public Sector Bank
1	Allahabad bank	20	IDBI
2	Andhra bank		
3	Bank of Baroda		Foreign banks
4	Canara Bank	21	CITI Bank N.A
5	Corporation bank	22	Deutsche Bank AG
6	Central bank	23	HSBC
7	Indian Bank	24	Standard Chartered Bank
8	Indian Oversea Bank	25	The Royal Bank of Scotland N.V.
9	Oriental bank of Commerce	26	J P Morgan
10	Punjab National Bank		
11	Punjab & Sindh Bank		Private banks
12	State Bank of India	27	Axis Bank
13	State Bank of Hyderabad	28	The Federal Bank Limited
14	Syndicate Bank	29	HDFC
15	State Bank of Travancore	30	Kotak Mahindra Bank
16	UCO Bank	31	ICICI
17	Union Bank of India	32	Indusind Bank
18	United Bank of India	33	Yes Bank
19	Vijaya Bank		

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Form No: F-11(Rev 0)
FORM FOR EXTENSION OF VALIDITY OF BANK GUARANTEE

1. **To be typed on non judicial Stamp Papers of value as applicable in the State of India from where the BG has been issued or the State of India where the BG shall be operated**
2. **The non judicial stamp papers shall be purchased in the name of the Party on whose behalf the BG is being issued or the BG issuing Bank**

BANK GUARANTEE No:

Date:

To

(Write Designation and Address of Officer of BHEL inviting the Tender)

Dear Sir,

Sub: Validity of Bank Guarantee No:Dated..... for
.....Rs in favour of yourself, expiry date
....., on account of M/s in respect of
Contract Number, (herein after called the Original bank Guarantee)

At the request of M/s, we..... Bank,
having its branch Office at..... and having Head office at
....., do hereby extend our liability under the above mentioned Bank Guarantee number
..... datedfor a further period of Months/years from.....
to expire on.....

Except as provided above, all other terms and conditions of the Original Bank Guarantee
No..... Dated..... shall remain unaltered and binding on us.

Kindly treat this extension as an integral part of the original Bank Guarantee to which it
would be attached.

Yours faithfully

Signature

Name& Designation

Power of Attorney/Signing Power No. Seal of Bank

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Form No: F-12 (Rev 0)

INTEGRITY PACT

Between

Bharat Heavy Electricals Ltd. (BHEL), a company registered under the Companies Act 1956 and having its registered office at "BHEL House", Siri Fort. New Delhi - 110049 (India) hereinafter referred to as "The Principal", which expression unless repugnant to the context or meaning hereof shall include its successors or assigns of the ONE PART

and

-----, (description of the party along with address), hereinafter referred to as "The Bidder/ Contractor" which expression unless repugnant to the context or meaning hereof shall include its successors or assigns of the OTHER PART

Preamble

The Principal intends to award, under laid-down organizational procedures, contract/s for-----

----- The Principal values full compliance with all relevant laws of the land, rules and regulations, and the principles of economic use of resources, and of fairness and transparency in its relations with its Bidder(s)/ Contractor(s).

In order to achieve these goals, the Principal will appoint Independent External Monitors), who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

Section 1 - Commitments of the Principal

1.1 The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:-

1.1.1 No employee of the Principal, personally or through family members, will in connection with the tender for, or the execution of a contract, demand, take a promise for or accept, for self or third person, any material or immaterial benefit which the person is not legally entitled to.

1.1.2 The Principal will, during the tender process treat all Bidder(s) with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidder(s) the same information and will not provide to any Bidder(s) confidential/ additional information through which the Bidder(s) could obtain an advantage in relation to the tender process or the contract execution.

1.1.3 The Principal will exclude from the process all known prejudiced persons.

1.2 If the Principal obtains information on the conduct of any of its employees which is a penal offence under the Indian Penal Code 1860 and Prevention of Corruption Act 1988 or any other statutory penal enactment, or if there be a substantive suspicion in this regard, the Principal will inform its Vigilance Office and in addition can initiate disciplinary actions.

Section 2- Commitments of the Bidder(s)/ Contractor(s)

2.1 The Bidder(s)/ Contractor(s) commit himself to take all measures necessary to

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prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution.

- 2.1.1 The Bidder(s)/ Contractor(s) will not, directly or through any other person or firm, offer, promise or give to the Principal or to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material, immaterial or any other benefit which he / she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the tender process or during the execution of the contract.
- 2.1.2 The Bidder(s)/ Contractor(s) will not enter with other Bidder (s) into any illegal or undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.
- 2.1.3 The Bidder(s)/ Contractor(s) will not commit any penal offence under the relevant IPC/ PC Act; further the Bidder(s)/ Contractor(s) will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
- 2.1.4 The Bidder(s)/ Contractor(s) will, when presenting his bid, disclose any and all payments he has made, and is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.
- 2.2 The Bidder(s)/ Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.

Section 3- Disqualification from tender process and exclusion from future contracts

If the Bidder(s)/ Contractor(s), before award or during execution has committed a transgression through a violation of Section 2 above, or acts in any other manner such as to put his reliability or credibility in question, the Principal is entitled to disqualify the Bidder(s)/ Contractor(s) from the tender process or take action as per the separate "Guidelines on Banning of Business dealings with Suppliers/ Contractors", framed by the Principal.

Section 4 - Compensation for Damages

- 4.1 If the Principal has disqualified the Bidder from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover the damages equivalent Earnest Money Deposit/Bid Security.
- 4.2 If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to section 3, the Principal shall be entitled to demand and recover from the Contractor liquidated damages equivalent to 5% of the contract value or the amount equivalent to Security Deposit/Performance Bank Guarantee, whichever is higher.

Section 5 - Previous Transgression

- 5.1 The Bidder declares that no previous transgressions occurred in the last 3 years with any other company in any country conforming to the anti-corruption approach or with any other Public Sector Enterprise in India that could justify his exclusion from the tender process.

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- 5.2 If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process or the contract, if already awarded, can be terminated for such reason.

Section 6 - Equal treatment of all Bidders/ Contractors/ Sub-contractors

- 6.1 The Bidder(s)/ Contractor (s) undertake(s) to obtain from all subcontractors a commitment consistent with this Integrity Pact and report Compliance to the Principal. This commitment shall be taken only from those sub-contractors whose contract value is more than 20% of Bidder's/ Contractor's contract value with the Principal. The Bidder(s)/ Contractor(s) shall continue to remain responsible for any default by his Sub-contractor(s).
- 6.2 The Principal will enter into agreements with identical conditions as this one with all Bidders and Contractors.
- 6.3 The Principal will disqualify from the tender process all bidders who do not sign this pact or violate its provisions.

Section 7- Criminal Charges against violating Bidders/ Contractors/ Sub-contractors

If the Principal obtains knowledge of conduct of a Bidder, Contractor or Subcontractor, or of an employee or a representative or an associate of a Bidder. Contractor or Subcontractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the Vigilance Office.

Section 8-Independent External Monitor(s)

- 8.1 The Principal appoints competent and credible Independent External Monitor for this Pact. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.
- 8.2 The Monitor is not subject to instructions by the representatives of the parties and performs his functions neutrally and independently. He reports to the CMD, BHEL.
- 8.3 The Bidder(s)/ Contractor(s) accepts that the Monitor has the right to access without restriction to all contract documentation of the Principal including that provided by the Bidder(s)/ Contractor(s). The Bidder(s)/ Contractor(s) will grant the monitor, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his contract documentation. The same is applicable to Sub-contractor(s). The Monitor is under contractual obligation to treat the information and documents of the Bidder(s)/ Contractor(s) / Sub-contractor(s) with confidentiality.
- 8.4 The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the contract provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.
- 8.5 As soon as the Monitor notices, or believes to notice, a violation of this agreement, he will so inform the Management of the Principal and request the Management to discontinue or take corrective action, or heal the situation, or to take other relevant action. The Monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
- 8.6 The Monitor will submit a written report to the CMD, BHEL within 8 to 10 weeks

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from the date of reference or intimation to him by the Principal and. should the occasion arise, submit proposals for correcting problematic situations.

- 8.7 The CMD, BHEL shall decide the compensation to be paid to the Monitor and its terms and conditions.
- 8.8 If the Monitor has reported to the CMD, BHEL, a substantiated suspicion of an offence under relevant IPC / PC Act, and the CMD, BHEL has not, within reasonable time, taken visible action to proceed against such offence or reported it to the Vigilance Office, the Monitor may also transmit this information directly to the Central Vigilance Commissioner, Government of India.
- 8.9 The number of Independent External Monitor(s) shall be decided by the CMD, BHEL
- 8.10 The word "Monitor" would include both singular and plural.

Section 9- Pact Duration

- 9.1 This Pact begins and shall be binding on and from the submission of bid(s) by bidder(s). It expires for the Contractor 12 months after the last payment under the respective contract and for all other Bidders 6 months after the contract has been awarded.
- 9.2 If any claim is made / lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified as above, unless it is discharged/ determined by the CMD, BHEL.

Section 10 - Other Provisions

- 10.1 This agreement is subject to Indian Laws and jurisdiction shall be registered office of the Principal, i.e. New Delhi.
- 10.2 Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
- 10.3 If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.
- 10.4 Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.
- 10.5 Only those bidders/ contractors who have entered into this agreement with the Principal would be competent to participate in the bidding. In other words, entering into this agreement would be a preliminary qualification.

For & On behalf of the Principal
(Office Seal)

For & On behalf of the Bidder/ Contractor
(Office Seal)

Place:- _____

Date:- _____

Witness: _____
(Name & Address) _____

Witness: _____
(Name & Address) _____