

# VOLUME-IB

## SPECIAL CONDITIONS OF CONTRACT (SCC)

**TENDER: BHEL: PSSR: SCT 1856**

**BHARAT HEAVY ELECTRICALS LIMITED**

**SPECIAL CONDITIONS OF CONTRACT (SCC) for**  
**Tender: BHEL: PSSR: SCT 1856**

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## SPECIAL CONDITIONS OF CONTRACT (SCC)

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1.0	<b>RESPONSIBILITIES OF CONTRACTOR IN RESPECT OF LABOUR, SUPERVISORY STAFF, ETC.</b>
1.1	Refer relevant clauses of General Conditions of Contract (GCC) also in this regard
1.2	Contractor shall also comply with the requirements of local authorities/ project authorities calling for police verification of antecedents of the workmen, staff etc.
1.3	Contractor shall deduct the necessary amount towards Provident Fund and contribute equal amount as per Government of India laws. This amount will be deposited regularly to the provident Fund Commissioner. BHEL/Customer may insist for submission of the account code duly certified by PF Commissioner
1.4	Contractor may also be required to comply with provisions of ESI Act in vogue if applicable and submit evidence to BHEL.
1.5	BHEL / customer may insist for witnessing the regular payment to the labour. They may also like to verify the relevant records for compliance with statutory requirements. Contractor shall enable such facilities to BHEL / Customer.
1.6	Contractor shall deploy only qualified and experienced engineers/ supervisors. They shall have professional approach in executing the work.

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2.0	<b>OCCUPATIONAL HEALTH, SAFETY &amp; ENVIRONMENT MANAGEMENT / QUALITY ASSURANCE PROGRAMME:</b> BHEL, Power Sector Regions (PSNR / ER / WR / SR) are each certified for ISO 9001. Quality of work to customer's satisfaction and fulfillment of system requirements are the essence of ISO 9001 certification. BHEL, PS Regions have HSE certification (ISO 14001 & OHSAS 18001) and therefore Contractor also shall organize / plan/ perform all their activities to meet with the applicable requirements of these standards.
2.1	Contractor shall ensure safety of all the workmen, material and equipment either belonging to him or to others working at site. He shall observe safety rules and codes applied by BHEL without exception.



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<b>3.0</b>	<b>RA Bill Payments</b>
3.1	The contractor shall submit his monthly RA bills with all the details required by BHEL on specified date every month covering progress of work in all respects and areas for the previous calendar month.
3.2	Mode of payment shall be as per relevant clauses of General Conditions of Contract
3.3	The payment for running bills will normally be released within 30 days of submission of running bill complete in all respects with all documents. It is the responsibility of the contractor to make his own arrangements for making timely payments towards labour wages, statutory payments, outstanding dues etc. and other dues in the meanwhile.
3.4	<p>BHEL shall release payment through Electronic Fund Transfer (EFT)/RTGS. In order to implement this system, Contractor to furnish details pertaining to his Bank Accounts where proceeds will be transferred through BHEL's banker, as per prescribed formats:</p> <p>Note: BHEL may also choose to release payment by other alternative modes as applicable</p>

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<b>4.0</b>	<b>Suspension of Business dealings</b>
4.1	BHEL reserves the right to take action against contractors who fail to perform or indulge in malpractices, by suspending business dealings with them.
4.2	Suspension could be in the form of 'Hold', 'De-listing' or 'Banning' a contractor.
4.3	<p>A bidder may be put on HOLD for a period of 6 months, for future tenders for specific works on the basis of one or more of the following reasons:</p> <ul style="list-style-type: none"><li>a) Bidder does not honour his own offer or any of its conditions within the validity period.</li><li>b) Bidder fails to respond against three consecutive enquires of BHEL.</li><li>c) After placement of order, Bidder fails to execute a contract.</li><li>d) Bidder fails to settle sundry debt account, for which he is legitimately liable, within one year of its occurrence.</li><li>e) Bidder's performance rating falls below 60% in specific category (more fully described in chapter 'Performance Monitoring')</li><li>f) Bidder works are under strike/ lockout for a long period.</li></ul>
4.4	<p>A Bidder may be de-listed from the list of registered Bidders of the region for a period of 1 year on the basis of one or more of the following reasons:</p> <ul style="list-style-type: none"><li>a) Bidder tampers with tendering procedure affecting ordering process or commits any misconduct which is contrary to business ethics.</li><li>b) Bidder has substituted, damaged, failed to return, short returned or unauthorizedly disposed off materials / documents / drawings / tools etc. of BHEL.</li><li>c) Bidder no longer has the technical staff, equipment, financial resources etc. required to execute the orders/ contracts.</li></ul>
4.5	<p>A Bidder can be banned from doing any business with all Units of BHEL for a period of 3 years on the basis of one or more of the following reasons:</p> <ul style="list-style-type: none"><li>a) Bidder is found to be responsible for submitting fake/ false/ forged documents, certificates, or information prejudicial to BHEL's interest.</li><li>b) In spite of warnings, the Bidder persistently violates or circumvents the provisions of labour laws/ regulations/ rules and other statutory requirements.</li><li>c) Bidder is found to be involved in cartel formation.</li></ul>

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	<ul style="list-style-type: none"><li>d) The Bidder has indulged in malpractices or misconduct such as bribery, corruption and fraud, pilferage etc. which are contrary to business ethics.</li><li>e) The Bidder is found guilty by any court of law for criminal activity/ offences involving moral turpitude in relation to business dealings.</li><li>f) The Bidder is declared bankrupt, insolvent, has wound up or been dissolved; i.e. ceases to exist for all practical purposes.</li><li>g) Bidder is found to have obtained Official Company information/ documentation by questionable means.</li><li>h) Communication is received from the administrative Ministry of BHEL to ban the Bidder from business dealings.</li></ul>
4.6	Contracts already entered with a contractor before the date of issue of order of 'HOLD' or 'DE-LISTING' shall not be affected.
4.7	All existing contracts with a 'BANNED' contractor shall normally be short closed.
4.8	Once the order for suspension is passed, existing offers/new offers of the contractor shall not be entertained.
4.9	The above guidelines are not exhaustive but enunciate broad principles governing action against contractors.

# **VOLUME-IC**

## **GENERAL CONDITIONS OF CONTRACT (GCC)**

**TENDER: BHEL: PSSR: SCT 1856**



**BHARAT HEAVY ELECTRICALS LIMITED**

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## **CHAPTER -1**

### **1. GENERAL INSTRUCTION TO TENDERERS**

#### **1.1. DESPATCH INSTRUCTION**

- i) The General Conditions of Contract form part of the Tender specifications. **All pages of the tender documents shall be duly signed, stamped and submitted along with the offer in token of complete acceptance thereof.** The information furnished shall be complete by itself. The tenderer is required to furnish all the details and other documents as required in the following pages.
- ii) Tenderers are advised to study all the tender documents carefully. Any submission of tender by the tenderer 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 tenderers 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. Tenderer'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 tenderer in his offer. Noncompliance 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**

- 1.2.1 The tenderers must submit their tenders to Officer inviting tender as per instructions in the NIT
- 1.2.2 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.
- 1.2.3 Tenders shall be opened by authorised Officer of BHEL at his office at the time and date as specified in the NIT, in the presence of such of those tenderers or their authorised representatives who may be present.

1.2.4 Tenderers whose bids are found techno commercially qualified shall be informed the date and time of opening of the Price Bids and such Tenderers may depute their representatives to witness the opening of the price bids. BHEL's decision in this regard shall be final and binding.

1.2.5 Before submission of Offer, the tenderers 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 labour, 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.

### 1.3. LANGUAGE

1.3.1 The tenderer shall quote the 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 tenderer.

### 1.4. PRICE DISCREPANCY:

1.4.1 **Conventional (Manual) Price Bid opening:** In the case of price bid opening without resorting to Reverse Auction, if there are differences between the rates given by the tenderer in words and figures or in amount worked out by him, the following procedure for evaluation and award shall be followed:

- i) When there is a difference between the rates in figures and in words, the rates which corresponds to the amounts worked out by the contractor, shall be taken as correct
- ii) When the amount of an item is not worked out by the contractor or it does not correspond with the rate written either in figure or in words, then the rate quoted by the contractor in words shall be taken as correct
- iii) When the rate quoted by the contractor in figures and words tallies but the amount is not worked out correctly, the rate quoted by the contractor shall be taken as correct and not the amount.
- iv) In case of lumpsum price, if there is any difference between the amount in figures and in words, the amount quoted by the bidder in words shall be taken as correct.
- v) 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 tenderers for the subject tender. If the tenderer becomes L-1, the notional rates for the omission items shall be the lowest rates quoted for the respective items by the other tenderers 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)'.  
"
- vi) 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. In case of omission of rates, the procedure shall be as per 'Guidelines for Reverse Auction' enclosed.

**1.5. QUALIFICATION OF TENDERERS**

- i) Only tenderers 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 tenderers who do not have proven and established experience in the field shall not be considered.
- iii) Offers from tenderers who are under suspension (banned) by any Unit/Region/Division of BHEL shall not be considered.
- iv) Offers from tenderers who do not comply with the latest guidelines of Ministry / Commissions of Government of India shall not be considered.

**1.6. EVALUATION OF BIDS**

- i) Technical Bids submitted by the tenderer 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 labour+consumables without T&P, then the responsibility of execution is assigned to the first agency and not to the agency who has executed only as labour 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 ENCLOSED**

Full information shall be given by the tenderer 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) ORGANIZATION CHART**

The organization chart of the tenderer'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 TENDERER:**

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 tenderer shall submit the prescribed amount of Earnest Money Deposit (EMD) to BHEL PSSR, only in the following forms.

- i) Electronic Fund Transfer credited in BHEL account (before tender opening).
- ii) Through Online EMD payment portal of BHEL with SBI (before tender opening) by following steps as below:
  - (1) Visit [www.onlinesbi.com](http://www.onlinesbi.com) -> Go to State Bank Collect (In the tab section)
  - (2) Click Check box to proceed for payment -> Click on Proceed
  - (3) Under State of Corporate/Institution -> Select Tamilnadu
  - (4) Under Type of Corporate/Institution -> Select PSU – Public Sector Undertaking -> Go
  - (5) Under PSU – Public Sector Undertaking Name -> Select BHEL PSSR CHENNAI and Submit

## (6) Under Select Payment Category -&gt;-&gt; SCT Tender EMD &amp; Tender Fees

- iii) Banker's Cheque or Pay order or Demand Draft in favour of 'Bharat Heavy Electricals Limited' (along with offer) and payable at Chennai.
- iv) Fixed Deposit Receipt (FDR) 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) along with the offer.
- v) In case EMD amount is more than Rs. Two Lakhs, Tenderer has the option to submit Rs. Two lakhs in the forms described above in clause no. 1.9.1. (i) to (iv) and the remaining amount over and above Rs. Two Lakhs in the form of Bank Guarantee from Scheduled Bank (along with the Offer).

**Note:**

- a) Performa for Bank Guarantee for EMD is enclosed with this Tender
- b) The Bank Guarantee shall be valid for at least six months from the due date of tender submission mentioned in the Notice Inviting Tender.
- c) Date of Expiry of Claim shall be minimum of 60 days after the validity of Bank Guarantee

Bank Details for the purpose of Taking EMD

Name and Address of Beneficiary:	Bharat Heavy Electricals Ltd. EVR Periyar Building, 690, Anna Salai, Nandanam, Chennai – 600 035
Name of Bank :	State Bank Of India
Bank Branch Address:	SBI- Saidapet Branch, EVR Periyar Building, Nandanam, Anna Salai, Chennai – 600 035
IFSC Code :	SBIN0000912
Account No. :	10610819499

Details for SFMS (Structured Financial Messaging System) transmission of BG

Bank and Branch	SBI TFCPC Branch
Branch Code	5056
IFSC Code	SBIN0005056

1.9.2 EMD shall not carry any interest.

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

- i) After opening the tender and within the offer validity period, the Tenderer 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 LOI/Contract.

1.9.4 EMD given by all unsuccessful tenderers will be refunded normally within 15 days of award of work.

1.9.5 EMD of successful tenderer will be retained as part of Security Deposit.

1.9.6 EMD by the tenderer shall be withheld in case any action on the tenderer is envisaged under the provisions of extant Guidelines on Suspension of Business dealings with

suppliers/contractors" and forfeited / released based on the action determined under these guidelines.

#### **1.10. SECURITY DEPOSIT**

1.10.1 Upon acceptance of Tender, the successful Tenderer should deposit the required amount of Security Deposit for satisfactory completion of work, as per the rates given below

1.10.2 The total amount of Security Deposit will be 5% of the contract value. EMD of the successful tenderer shall be converted and adjusted towards the required amount of Security Deposit.

1.10.3 The security Deposit should be furnished before start of the work by the contractor.

1.10.1 Modes of deposit: The balance amount to make up the required Security Deposit of 5% of the contract value may be furnished in any one of the following forms

- i) Cash (as permissible under the 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 Scheduled Banks / Public Financial Institutions as defined in the Companies Act. The Bank Guarantee format for Security Deposit shall be in the prescribed formats
- iv) Fixed Deposit Receipt issued by Scheduled Banks / Public Financial Institutions as defined in the Companies Act. The FDR should be in the name of the contractor, A/C BHEL, duly discharged on the back
- v) Securities available from Indian Post offices such as National Savings Certificates, Kisan Vikas Patras etc. (Certificates should be held in the name of Contractor furnishing the security and duly endorsed/ hypothecated/ pledged, as applicable, in favour of BHEL and discharged on the back).

**Note:** 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.

1.10.2 At least 50% of the Security Deposit including the EMD should be deposited in any form as prescribed before start of the work and the balance 50% of the Security Deposit will be recovered by deducting 10% of the gross amount progressively from each running bills of the contractor till the total amount of the required Security Deposit is collected.

1.10.3 The recoveries made from running bills (cash deduction towards balance SD amount) will be released against submission of equivalent Bank Guarantee in the prescribed formats, but only once, before completion of work.

1.10.4 The Security Deposit shall not carry any interest.

1.10.5 If the value of work done at any time exceeds the contract value, the amount of Security Deposit shall be correspondingly enhanced and the excess Security Deposit due the enhancement shall be immediately deposited by the Contractor or recovered from payment/s due to the Contractor.

1.10.6 The validity of Bank Guarantees towards Security Deposit shall be initially upto the completion period as stipulated in the Letter of Intent/Award + 3 months, and the same

shall be kept valid by proper renewal till the acceptance of Final Bills of the Contractor, by BHEL.

- 1.10.7 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.

**1.10.8 Penalty for Delayed Remittance of Security Deposit**

If the contractor fails to furnish SD before start of work, in line with 1.10.3 above, Simple Interest against delayed remittance of the Security Deposit shall be deducted from the sub-contractor at the rate of SBI PLR + 2% on the value of 50% SD of the contract, for the delayed period (i.e., period between start of work and date of remittance of Initial SD, i.e., atleast 50% of SD). In case, the delayed period has different SBI PLR rates, Simple Interest shall be calculated based on different rates by considering the corresponding time period. On similar lines Penalty shall be levied for delayed remittance of Additional Security Deposit (if applicable).

**Note:** Bank details & SFMS details provided above in Cl. No. 1.9 Earnest Money Deposit) may be used for the purpose of arranging Bank Guarantees towards Security Deposit / Additional Security Deposit also

**1.11. RETURN OF SECURITY DEPOSIT**

Security Deposit shall be refunded/Bank Guarantee(s) 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.

**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 Scheduled Banks / Public Financial Institutions as defined in the Companies Act.
- ii) The Bank Guarantees shall be as per prescribed formats.
- 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 / Construction Manager. BHEL shall not be liable for issue of any reminders regarding expiry of the Bank Guarantees.
- iv) In case extension / further extensions of any Bank Guarantees are not required, the bidders shall ensure that the same is explicitly endorsed by the Construction Manager and submitted to the Regional HQ issuing the LOI/LOA.
- v) 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.
- vi) 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.

- vii) The Original Bank Guarantee shall be sent directly by the Bank to BHEL under Registered Post (Acknowledgement Due), addressed to the Subcontracting Department of the respective Region.

#### **1.13. VALIDITY OF OFFER**

The rates in the Tender shall be kept open for acceptance for a minimum period of **SIX 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 tenderers.

#### **1.14. EXECUTION OF CONTRACT AGREEMENT**

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

The successful tenderer 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 tenderer. 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 tenderers 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, 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 tenderer with BHEL, or tenderer under suspension (hold / banning / delisted ) by any unit / region / division of BHEL or tenderers 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 in line with clause no. 9.0 of the 'NIT'. The decision of BHEL will be final in this regard.

- 1.15.4 If a tenderer 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, recognise 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 tenderer 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 Tenderer 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, 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 tenderer should not sub-contract part or complete work detailed in the tender specification undertaken by him without written permission of BHEL's Construction Manager/Site In charge. The tenderer is solely responsible to BHEL for the work awarded to him.
- 1.15.10 The Tender submitted by a techno commercially qualified tenderer 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. However, if the party who has submitted the unsolicited discount/rebate becomes the L-1 party, then the awarded price i.e contract value shall be worked out after considering the discount so offered.
- 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.
- 1.15.13 **Additional security deposit (ASD):** If the final price of successful bidder is lesser by 'more than 20%' of BHEL's estimates then only, 'Additional Security Deposit' will be required to be submitted by the successful bidder with value as follows:
- Additional Security Deposit** = 30 % of (A-B) will be calculated as below:  
A = 80% of BHEL estimate
- B = The final offered price of successful bidder through RA (In case of RA)
- OR
- Sealed paper price bid of successful bidder (in case of paper bid)
- This 'Additional Security Deposit' shall have the same validity as that of the 'Security Deposit' and shall be revalidated / released in the manner as spelt out for the 'Security Deposit' as per relevant clause of GCC.
- The BHEL's estimated value shall be disclosed to successful bidder (on request) in case 'Additional Security Deposit' is applicable.



**CHAPTER-2**

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

i)	BHEL shall mean Bharat Heavy Electricals Limited (of the respective Power Sector Region inviting the Tender), a company registered under Indian Companies Act 1956, with its Registered Office at BHEL HOUSE, SIRI FORT, NEW DELHI – 110 049, or its Power Sector Regional Offices or its Authorised Officers or its Site Engineers or other employees authorised to deal with any matters with which these persons are concerned on its behalf.
ii)	“EXECUTIVE DIRECTOR” or ‘GROUP GENERAL MANAGER’ or “GENERAL MANAGER (In charge)” or “GENERAL MANAGER” shall mean the Officer in Administrative charge of the respective Power Sector Region.
iii)	“COMPETENT AUTHORITY” shall mean Executive Director or Group General Manager 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.
iv)	“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 ‘CONSTRUCTION MANAGER’ or ‘SITE INCHARGE’ as well as Officers at Site or at the Headquarters of the respective Power Sector Regions.
v)	“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.
vi)	“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.
vii)	“CONTRACTOR” shall mean the successful Bidder/Tenderer who is awarded the Contract and shall include the Contractor’s successors, heirs, executors, administrators and permitted assigns.
viii)	“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, Special Conditions of Contract, Instructions to the Tenderers, Drawings, Technical Specifications, the Special Specifications if any, the Tender documents, subsequent amendments mutually agreed upon and the Letter of Intent / 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 Intent/Award and incorporated in the agreement.
ix)	“GENERAL CONDITIONS OF CONTRACT” shall mean the ‘Instructions to Tenderers’ and ‘General Conditions of Contract’ pertaining to the work for which above tenders have been called for.
x)	“TENDER SPECIFICATION” or “TENDER” or “TENDER DOCUMENTS” shall mean General Conditions, Common Conditions, Special Conditions, Price Bid, Rate Schedule, Technical Specifications, Appendices, Annexures, Corrigendums, Amendments, Forms, procedures, Site information, etc and drawings / documents



	pertaining to the work for which the tenderers are required to submit their offers. Individual specification number will be assigned to each Tender Specification.
xi)	“LETTER OF INTENT” shall mean the intimation by a Letter / Fax / E-mail to the tenderer 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.
xii)	“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.
xiii)	“PLANT” shall mean and connote the entire assembly of the plant and equipments covered by the contract.
xiv)	“EQUIPMENT” shall mean equipment, machineries, materials, structural, electricals and other components of the plant covered by the contract.
xv)	“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.
xvi)	“APPROVED”, “DIRECTED” or “INSTRUCTED” shall mean approved, directed or instructed by BHEL.
xvii)	“WORK or CONTRACT WORK” shall mean and include supply of all categories of labour, 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.
xviii)	“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.
xix)	“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.
xx)	“MONTH” shall mean calendar month unless otherwise specified in the Tender.
xxi)	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.
xxii)	“COMMISSIONING” shall mean the synchronisation 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.
xxiii)	“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.

xxiv)	“TEMPORARY WORK” shall mean all temporary works for every kind required in or for the execution, completion, maintenance of the work.
xxv)	‘CONTRACT PRICE’ or ‘CONTRACT VALUE’ shall mean the sum mentioned in the LOI/LOA/Contract Agreement subject to such additions thereto or deductions there from as may be made under provisions hereinafter contained
xxvi)	“COMMENCEMENT DATE” or “START DATE” shall mean the commencement/start of work at Site as per terms defined in the Tender.
xxvii)	“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
xxviii)	“TERMINATION” of Contract shall mean the pre mature closing of contract due to reasons as mentioned in the contract
xxix)	“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
xxx)	“RE MOBILISATION” shall mean the resumption of work with all resources required for the work after demobilization.
<b>2.2 LAW GOVERNING THE CONTRACT AND COURT JURISDICTION</b>	
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 or 2.21.2 of this Contract, the Civil Court having original Civil Jurisdiction at Delhi for PSNR, at Kolkata for PSER, at Nagpur for PSWR and at Chennai for PSSR, shall alone have exclusive jurisdiction in regard to all matters in respect of the Contract.	
<b>2.3 ISSUE OF NOTICE</b>	
2.3.1	<b><u>Service of notice on contractor</u></b> Any notice to be given to the Contractor under the terms of the contract shall be served by sending the same <b>by Registered Post / Speed Post to</b> 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	<b><u>Service of notice on BHEL</u></b> 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.
<b>2.4 USE OF LAND</b>	
No land belonging to BHEL or their Customer under temporary possession of BHEL shall be occupied by the contractor without written permission of BHEL.	
<b>2.5 COMMENCEMENT OF WORK</b>	
2.5.1	The contractor shall commence the work as per the time indicated in the Letter of Intent 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 Void

2.6.3 Void

2.6.4 Void

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 Void

2.6.7 Void

2.6.8 Void

2.6.9 Void

2.6.10 Void

2.6.11 Void

## 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

2.7.2.1 To terminate the contract or withdraw portion of work and get it done through other agency, at the risk and cost of the contractor after due notice of a period of 14 days' by BHEL in any of the following cases:-

- i) Contractor's poor progress of the work vis-à-vis execution timeline as stipulated in the Contract, backlog attributable to contractor including unexecuted portion of work does not appear to be executable within balance available period considering its performance of execution
- ii) Withdrawal from or abandonment of the work by contractor before completion of the work as per contract

- iii) Non-completion of work by the Contractor within scheduled completion period as per Contract or as extended from time to time, for the reasons attributable to the contractor
- iv) Termination of Contract on account of any other reason (s) attributable to Contractor
- v) Assignment, transfer, subletting of Contract without BHEL's written permission
- vi) Non-compliance to any contractual condition or any other default attributable to Contractor

**Risk & Cost Amount against Balance Work:**

Risk & Cost amount against balance work shall be calculated as follows:

$$\text{Risk \& Cost Amount} = [(A-B) + (A \times H/100)]$$

Where,

A= Value of Balance scope of Work (\*) as per rates of new contract

B= Value of Balance scope of Work (\*) as per rates of old contract being paid to the contractor at the time of termination of contract i.e., inclusive of PVC & ORC, if any.

H = Overhead Factor to be taken as 5

In case (A-B) is less than 0 (zero), value of (A-B) shall be taken as 0 (zero).

\* Balance scope of work (in case of termination of contract):

Difference of Contract Quantities and Executed Quantities as on the date of issue of Letter for

'Termination of Contract', shall be taken as balance scope of Work for calculating risk & cost amount.

Contract quantities are the quantities as per original contract. If, Contract has been amended, quantities as per amended Contract shall be considered as Contract Quantities.

Items for which total quantities to be executed have exceeded the Contract Quantities based on drawings issued to contractor from time to time till issue of Termination letter, then for these items

total Quantities as per issued drawings would be deemed to be contract quantities.

Substitute / extra items whose rates have already been approved would form part of contract quantities for this purpose. Substitute/ extra items which have been executed but rates have not been approved, would also form part of contract quantities for this purpose and rates of such items shall be determined in line with contractual provisions.

However, increase in quantities on account of additional scope in new tender shall not be considered for this purpose.

NOTE: Incase portion of work is being withdrawn at risk & cost of contractor instead of termination of contract, contract quantities pertaining to portion of work withdrawn shall be considered as 'Balance scope of work' for calculating Risk & Cost amount.

**LD against delay in executed work in case of Termination of Contract:**

LD against delay in executed work shall be calculated in line with LD clause no. 2.7.9 of GCC, for the delay attributable to contractor. For limiting the maximum value of LD, contract value shall be taken as Executed Value of work till termination of contract.

Method for calculation of "LD against delay in executed work in case of termination of contract" is given below.

- i). Let the time period from scheduled date of start of work till termination of contract excluding the period of Hold (if any) not attributable to contractor = T1
- ii). Let the value of executed work till the time of termination of contract = X
- iii). Let the Total Executable Value of work for which inputs/fronts were made available to contractor and were planned for execution till termination of contract = Y
- iv). Delay in executed work attributable to contractor i.e.  $T2 = [1 - (X/Y)] \times T1$

LD shall be calculated in line with LD clause (clause 2.7.9) of the Contract for the delay attributable to contractor taking "X" as Contract Value and "T2" as period of delay attributable to contractor

2.7.2.2 In case Contractor fails to deploy the resources as per requirement, BHEL can deploy own / hired / otherwise arranged resources at the risk and cost of the contractor and recover the expenses incurred from the dues payable to contractor. Recoveries shall be actual expenses incurred plus 5% overheads or as defined in TCC

2.7.3 **Recoveries arising out of Risk & Cost and LD or any other recoveries due from Contractor**

Following sequence shall be applicable for recoveries from contractor:

- a) Dues available in the form of Bills payable to contractor, SD, BGs against the same contract.
- b) Demand notice for deposit of balance recovery amount shall be sent to contractor, if funds are insufficient to effect complete recovery against dues indicated in (a) above.
- c) If contractor fails to deposit the balance amount to be recovered within the period as prescribed in demand notice, following action shall be taken for balance recovery:
  - i) Dues payable to contractor against other contracts in the same Region shall be considered for recovery
  - ii) If recovery cannot be made out of dues payable to the contractor as above, balance amount to be recovered, shall be informed to other Regions / Units for making recovery from the Unpaid Bills / Running Bills / SD / BGs / Final Bills of contractor
  - iii) In-case recoveries are not possible with any of the above available options, Legal action shall be initiated for recovery against contractor

- 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 statutorily forced to pay to anybody, due to contractor's failure to fulfill any of his obligations. BHEL shall levy overheads of 5% 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 re mobilize 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 mobilisation. 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 Void
- 2.7.9 **Void**

## 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 labour 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. such as Payment of Wages Act, Minimum Wages Act, Workmen Compensation Act, Employer's Liability Act, Industrial Disputes Act, Employers Provident Act, Employees State Insurance Scheme, Contract Labour (Regulation and Abolition) Act, 1970, Payment of Bonus & Gratuity Act, Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, The Building and Other Construction Workers' Welfare Cess Act, 1996 and other Acts, Rules, and Regulations for labour / workers as applicable and as may be enacted by the State Government and Central Government 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.
- 2.8.4 Void
- 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 Void
- 2.8.7 Void
- 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, if so called for.
- 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 labour 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 Void
- 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 Void

2.9 Void

2.10 Void

2.11 Void

2.12 Void

2.13 Void



**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 quoted 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 and also contractor is not eligible for any compensation.

2.15 Void

2.16 Void

2.17 Void

2.18 Void

**2.19 STRIKES & LOCKOUT**

- 2.19.1 The contractor will be fully responsible for all disputes and other issues connected with his labour. In the event of the contractor's labour 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 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 & CONCILIATION****2.21.1 ARBITRATION:**

2.21.1.1 Except as provided elsewhere in this Contract, in case Parties are unable to reach amicable settlement (whether by Conciliation to be conducted as provided in Clause 2.21.2 herein below or otherwise) in respect of any dispute or difference; arising out of the formation, breach, termination, validity or execution of the Contract; or, the respective rights and liabilities of the Parties; or, in relation to interpretation of any provision of the Contract; or, in any manner touching upon the Contract (hereinafter referred to as the 'Dispute'), then, either Party may, commence arbitration in respect of such Dispute by issuance of a notice in terms of section 21 of the Arbitration & Conciliation Act, 1996 (hereinafter referred to as the 'Notice'). The Notice shall contain the particulars of all claims to be referred to arbitration in sufficient detail and shall also indicate the monetary amount of such claim. The arbitration shall be conducted by a sole arbitrator to be appointed by the Head of the BHEL Power Sector Region issuing the Contract within 60 days of receipt of the complete Notice. The language of arbitration shall be English.

The Arbitrator shall pass a reasoned award.

Subject as aforesaid, the provisions of Arbitration and Conciliation Act 1996 (India) or statutory modifications or re-enactments thereof and the rules made thereunder as in force from time to time shall apply to the arbitration proceedings under this clause. The seat of arbitration shall be Chennai (the place from where the contract is Issued). The Contract shall be governed by and be construed as per provisions of the laws of India. Subject to this provision 2.21.1.1 regarding ARBITRATION, the principal civil court exercising ordinary civil jurisdiction over the area where the seat of arbitration is located shall have exclusive jurisdiction over any DISPUTE to the exclusion of any other court.

2.21.1.2 In case of Contract with Public Sector Enterprise (PSE) or a Government Department, the following shall be applicable:

In the event of any dispute or difference relating to the interpretation and application of the provisions of commercial contract(s) between Central Public Sector Enterprises (CPSEs) / Port Trusts inter se and also between CPSEs and Government Departments / Organizations (excluding disputes concerning Railways, Income Tax, Customs & Excise Departments), such dispute or difference shall be taken up by either party for resolution through AMRCD (Administrative Mechanism for Resolution of CPSEs Disputes) as mentioned in DPE OM No. 4(1)/2013-DPE(GM)/FTS-1835 dated 22-05-2018 as amended from time to time.

2.21.1.3 The cost of arbitration shall initially be borne equally by the Parties subject to the final allocation thereof as per the award / order passed by the Arbitrator.

2.21.1.4 Notwithstanding the existence of any dispute or differences and/or reference for the arbitration, the Contractor shall proceed with and continue without hindrance the performance of its obligations under this Contract with due diligence and expedition in a professional manner unless the dispute inter-alia relates to cancellation, termination or short-closure of the Contract by BHEL.

## 2.21.2 CONCILIATION

If at any time (whether before, during or after the arbitral or judicial proceedings), any Disputes (which term shall mean and include any dispute, difference, question or

disagreement arising in connection with construction, meaning, operation, effect, interpretation or breach of the agreement, contract), which the Parties are unable to settle mutually, arise inter-se the Parties, the same may, be referred by either party to Conciliation to be conducted through Independent Experts Committee (IEC) to be appointed by competent authority of BHEL from the BHEL Panel of Conciliators

Notes:

1. No serving or a retired employee of BHEL / Administrative Ministry of BHEL shall be included in the BHEL Panel of Conciliators.
2. Any other person(s) can be appointed as Conciliator(s) who is / are mutually agreeable to both the parties from outside the BHEL Panel of Conciliators.

The proceedings of Conciliation shall broadly be governed by Part-III of the Arbitration and Conciliation Act 1996 or any statutory modification thereof and as provided in Procedure 2.3 to Forms and Procedures. The Procedure 2.3 together with its Formats will be treated as if the same is part and parcel hereof and shall be as effectual as if set out herein in this GCC.

The Contractor hereby agrees that BHEL may make any amendments or modifications to the provisions stipulated in the Procedure 2.3 to Forms and Procedures from time to time and confirms that it shall be bound by such amended or modified provisions of the Procedure 2.3 with effect from the date as intimated by BHEL to it.

**Note:** Procedure 2.3 is published in Forms and Procedures (Volume-I D)

#### 2.21.3 NO INTEREST PAYABLE TO CONTRACTOR

Notwithstanding anything to the contrary contained in any other document comprising in the Contract, no interest shall be payable by BHEL to Contractor on any moneys or balances including but not limited to the Security Deposit, EMD, Retention Money, RA Bills or the Final Bill, or any amount withheld and/or appropriated by BHEL etc., which becomes or as the case may be, is adjudged to be due from BHEL to Contractor whether under the Contract or otherwise.

2.22 Void

2.23 Void

2.24 Void

#### 2.25 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.

#### 2.26 REVERSE AUCTION:

BHEL reserves the right to go for Reverse Auction for Price Bid Opening by BHEL appointed service provider, instead of opening the submitted sealed price bid in the conventional way. The Business Rules for Reverse Auction shall be as per BHEL guidelines issued from time to time. Reverse Auction Guidelines available in the website <http://www.bhel.com> shall be applicable for this tender

**2.27 SUSPENSION OF BUSINESS DEALINGS**

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

**2.28 OTHER ISSUES**

- 2.28.1 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.
- 2.28.2 In case of any conflict between the General Conditions of Contract and Special Conditions of Contract, provisions contained in the Special Conditions of Contract shall prevail.
- 2.28.3 Unless otherwise specified in NIT, offers from consortium / JVs shall not be considered.
- 2.28.4 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

TENDER  
BHEL: PSSR:  
SCT: 1856

# Book-II Volume-1D FORMS & PROCEDURES

BHARAT HEAVY ELECTRICALS  
LIMITED



## FORMS & PROCEDURES

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## FORMS & PROCEDURES

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SN	Description	Form No	Remarks
2.0	Procedures		
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## FORMS & PROCEDURES

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Form No: F-01 (Rev 00)

### 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, Power Sector-....., 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. Technical Conditions of Contract
5. Special Conditions of Contract
6. General Conditions of Contract
7. 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.

#### **Authorised Representative of Bidder**

Signature :

Name :

Address :

Place:

Date:



## FORMS & PROCEDURES

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Form No: F-02 (Rev 00)

### 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 Authorised 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 authorised 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

## FORMS & PROCEDURES

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Form No: F-03 (Rev 00)

### 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,

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)

## FORMS & PROCEDURES

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Form No: F-04 (Rev 00)

### **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:

## FORMS & PROCEDURES

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Form No: F-05 (Rev 00)

### 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/relatives of Proprieter/Partner(s)/Director(s) employed in BHEL

**Tick (✓) any one as applicable:**

1. The Proprieter, Partner(s), Director(s) of our Company/Firm DO NOT have any relation or relatives employed in BHEL  
OR
2. The Proprieter, Partner(s), or Director(s) of our Company/Firm HAVE relation/relatives employed in BHEL and their particulars are as below:

(i)

(ii)

Signature of the Authorised Signatory

Note:

1. Attach separate sheet, if necessary.
2. 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.

## FORMS & PROCEDURES

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Form No: F-06 (Rev 00)

### NON DISCLOSURE CERTIFICATE

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

---

### NON DISCLOSURE CERTIFICATE

I/We understand that BHEL PS-SR CHENNAI 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 PSSR CHENNAI against Tender Specification No: \_\_\_\_\_, hereby undertake to comply with the following in line with Information Security Policy of BHEL PSSR CHENNAI.

- 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 PSSR CHENNAI.

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

Date:

## FORMS & PROCEDURES

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Form No: F-07 (Rev 00)

### **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 (EFT/RTGS))

-----

1. Beneficiary Name :
2. Beneficiary Account No. :
3. Bank Name & Branch :
4. City/Place :
5. 9 digit MICR Code of Bank Branch :
6. IFSC Code of Bank Branch :
7. Beneficiary E-mail ID :  
(for payment confirmation)

NOTE: In case Bank endorsed certificate regarding above has already been submitted earlier, Kindly submit photocopy of the same.

## FORMS & PROCEDURES

Form No: F-08 (Rev 00)

### 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				
4				
5				
6				

Yours faithfully,

(Signature, date & seal of Authorized  
Representative of the Bidder)

FORMS PROCEDURES  
CAPACITY EVALUATION OF BIDDERS FOR CURRENT TENDER

Form No: F-09 (Rev 00)

**CAPACITY EVALUATION OF BIDDERS FOR CURRENT TENDER**

Sl. No.	DESCRIPTION OF WORK (Similar to Tendered Scope)	WORK ORDER REF & DATE	CONTRACT VALUE (Rs. Lacs)	CUSTOMER NAME & ADDRESS	CURRENT STATUS OF THE JOB ALONG WITH LATEST MILE STONE COMPLETED	%AGE OF WORK COMPLETED	VALUE OF BALANCE WORK (Rs. Lacs)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							

**NOTES:**

- BIDDERS ARE REQUIRED TO FURNISH ALL THE JOBS OF SIMILAR NATURE WHICH THEY ARE EXECUTING (IN PROGRESS) AT THE TIME OF SUBMISSION OF TENDER, AS PER ABOVE FORMAT.
- BIDDERS HEREBY UNDERTAKE THAT THEY HAVE FURNISHED THE DETAILS SOUGHT AS PER POINT NO. 1 IN TOTALITY AND THAT THE DETAILS FURNISHED IS COMPLETE IN ALL RESPECT.
- BHEL WILL TAKE APPROPRIATE ACTION AS DEEMED FIT , IN CASE, IT IS FOUND AT A LATER DATE THAT THE CONTRACTOR HAD SUPPRESSED THE FACTS AND HAVE NOT FURNISHED THE CORRECT & COMPLETE INFORMATIONS.

DATE :

PLACE:

Signature  
Name, Designation & Seal of Bidder



**FORMS & PROCEDURES**  
**CONTRACT AGREEMENT**

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**Form No: F-10 (Rev 00)**

**BHARAT HEAVY ELECTRICALS LIMITED**

(A Government of India Undertaking)

Power Sector – Southern Region

690, Anna Salai, Nandhanam,

Chennai 600 035

**CONTRACT AGREEMENT**

AGREEMENT NO. \_\_\_\_\_

NAME OF WORK	
NAME OF THE CONTRACTOR WITH FULL ADDRESS	
VALUE OF WORK AWARDED	
LETTER OF INTENT NO.	
TIME ALLOTTED FOR COMPLETING THE WORK (DATE OF COMPLETION)	

\_\_\_\_\_  
SIGNATURE OF CONTRACTOR

\_\_\_\_\_  
(SIGNATURE OF BHEL OFFICER)

**CONTRACT AGREEMENT**

THIS AGREEMENT MADE THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ between BHARAT HEAVY ELECTRICALS LIMITED (A Government of India Enterprise) a Company incorporated under the Companies Act, 1956, having its Registered Office at BHEL House, Siri Fort New Delhi- 110049 (herein after called BHEL) of the ONE PART.

AND

M/S \_\_\_\_\_  
\_\_\_\_\_ (hereinafter called the 'Contractor') of the SECOND PART.

## FORMS & PROCEDURES

### CONTRACT AGREEMENT

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WHEREAS M/s -----state that they have acquired and possess extensive experience in the field of -----  
----- And  
Whereas in response to an Invitation to Tender No. ----- issued by BHEL for execution of ----- the contractor submitted their offer No.-----dated -----  
And whereas BHEL has accepted the offer of the Contractor on terms and conditions specified in the Letter of Intent No.-----dated -----  
---read with the references cited therein.

THIS AGREEMENT WITNESSES AND it is hereby agreed by and between the parties as follows:

1. That the contractor shall execute the work of -----and more particularly described in Tender Specification No -----including Drawings and Specifications (hereinafter called the said works) in accordance with and subject to terms and conditions contained in these presents, instructions to Tenderers, General Conditions of Contract, Special Conditions, Annexures, Letter of Intent dated -----and such other instructions, Drawings, Specifications given to him from time to time by BHEL.
2. The Contractor is required to furnish to BHEL Security deposit in the form of cash/ approved securities/ Bank Guarantee valid upto ----- for a sum of Rs.----- towards satisfactory performance and completion of the Contract.
3. The Contractor has furnished a Bank Guarantee bearing no.----- dated -----for a sum of Rs.-----executed by ----- in favour of BHEL towards Security Deposit valid upto -----

OR

The Contractor has furnished to BHEL an initial Security Deposit of Rs.-----  
-----in the form of cash / approved Securities/ B.G No.----- dated --  
----- for Rs.-----executed by ----- in favour of BHEL  
valid upto ----- and has agreed for recovery of the balance security deposit by BHEL @ 10% of the value of work done from each running bill till the entire Security Deposit is recovered.

OR

The contractor has furnished to BHEL an initial Security Deposit of Rs.-----  
---(Rs.----- vide Bank draft No.-----dated -----and by  
adjusting EMD of Rs.-----submitted vide Bank draft No.----- dt.--  
-----) and has agreed for recovery of balance Security Deposit by BHEL @  
10% of the value of work done from each running bill till the entire security deposit is recovered.

4. The Contractor hereby agrees to extend the validity of the Bank Guarantee for such further period or periods as may be required by BHEL and if the Contractor fails to obtain such extension(s) from the Bank, the Contractor, shall pay forthwith or accept recovery of Rs.----- from the bills in one

## FORMS & PROCEDURES

### CONTRACT AGREEMENT

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installment and the contractor further agrees that failure to extend the validity of the Bank Guarantee or failure to pay the aforesaid amount in the manner specified above shall constitute breach of contract. In addition to above, BHEL shall be entitled to take such action as deemed fit and proper for recovering the said sum of Rs.-----

OR

In case the contractor furnishes the bank guarantee at a later date the contractor hereby agrees to extend the validity of bank guarantee for such further period or periods as may be required by BHEL and if the contractor fails to obtain such extension(s) from the bank, the contractor shall pay forthwith or accept recovery of the amount of bank guarantee given in lieu of security deposit from the bills in one installment and the contractor further agrees that failure to extend the validity of bank guarantee or failure to pay the aforesaid amount in the manner specified above shall constitute breach of contract. In addition to above, BHEL shall be entitled to take such action as deemed fit and proper for recovering the said sum.

5. That in consideration of the payments to be made to the Contractor by BHEL in accordance with this Agreement the Contractor hereby covenants and undertakes with BHEL that they shall execute, construct, complete the works in conformity, in all respects, with the terms and conditions specified in this Agreement and the documents governing the same.
6. That the Contractor shall be deemed to have carefully examined this Agreement and the documents governing the same and also to have satisfied himself as to the nature and character of the Works to be executed by him.
7. That the Contractor shall carry out and complete the execution of the said works to the entire satisfaction of the Engineer or such other officer authorised by BHEL, within the agreed time schedule, the time of completion being the essence of the Contract.
8. That BHEL shall, after proper scrutiny of the bills submitted by the Contractor, pay to him during the progress of the said works such sum as determined by BHEL in accordance with this Agreement.
9. That this Agreement shall be deemed to have come into force from ----- the date on which the letter of intent has been issued to the Contractor.
10. That whenever under this contract or otherwise, any sum of money shall be recoverable from or payable by the Contractor, the same may be deducted in the manner as set out in the General Conditions of Contract or other conditions governing this Agreement.
11. That all charges on account of Octroi, Terminal and other taxes including sales tax or other duties on material obtained for execution of the said works shall be borne and paid by the Contractor.

**FORMS & PROCEDURES**  
**CONTRACT AGREEMENT**

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12. That BHEL shall be entitled to deduct from the Contractor's running bills or otherwise Income Tax under Section 194 (C) of the Income Tax Act, 1961.
13. That BHEL shall be further entitled to recover from the running bills of the Contractor or otherwise such sum as may be determined by BHEL from time to time in respect of consumables supplied by BHEL, hire charges for tools and plants issued (Where applicable) and any other dues owed by the Contractor.
14. That it is hereby agreed by and between the parties that non- exercise, forbearance or omission of any of the powers conferred on BHEL and /or any of its authorities will not in any manner constitute waiver of the conditions hereto contained in these presents and the liability of the Contractor with respect to compensation payable to BHEL or Contractor's obligations shall remain unaffected.
15. It is clearly understood by and between the parties that in the event of any conflict between the Letter of Intent and other documents governing this Agreement, the provisions in the Letter of Intent shall prevail.
16. The following documents
  1. Invitation to Tender No----- and the documents specified therein.
  2. Contractor's Offer No----- dated-----.
  3. \_\_\_\_\_
  4. \_\_\_\_\_
  5. \_\_\_\_\_
  6. Letter of Intent No\_\_\_\_\_ dated\_\_\_\_\_.
  7. \_\_\_\_\_ shall also form part of and govern this Agreement.

IN WITNESS HEREOF, the parties hereto have respectively set their signatures in the presence of

WITNESS

1.

2.

(CONTRACTOR)  
(to be signed by a person holding  
a valid Power of Attorney)

WITNESS

1.

2.

(For and on behalf of BHEL)

## FORMS & PROCEDURES

Form F-11 Rev 01  
(WAM 22)

### **PROFORMA OF BANK GUARANTEE (in lieu of SECURITY DEPOSIT)**

(On non-Judicial paper of appropriate value)

(Para 4.7.6 of Works Accounts Manual)

Bank Guarantee No.....

Date.....

To

(Employer's Name and Address)

.....

In consideration of Bharat Heavy Electricals Limited (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 *BHEL House, Siri Fort, Asiad, New Delhi – 110049* through its unit at *Bharat Heavy Electricals Limited, Power Sector Southern Region, 690, Anna Salai, Nandanam, Chennai 600035* having agreed to exempt \_\_\_\_\_<sup>1</sup> (Name of the Vendor / Contractor / Supplier) with its registered office at \_\_\_\_\_<sup>2</sup> (hereinafter called the said "Contractor" which term includes supplier), from demand under the terms and conditions of the Contract arising vide Letter of Intent (LOI) reference No. \_\_\_\_\_ dated \_\_\_\_\_<sup>3</sup> valued at Rs. \_\_\_\_\_<sup>4</sup> (Rupees \_\_\_\_\_ only)<sup>4</sup> (hereinafter called the said Contract), of Security Deposit for the due fulfilment by the said Contractor of the terms and conditions contained in the said Contract, on production of a Bank Guarantee for Rs. \_\_\_\_\_<sup>5</sup> (Rupees \_\_\_\_\_ only),

We, the \_\_\_\_\_ (Name & address of the Bank) \_\_\_\_\_ having our Head Office at \_\_\_\_\_ (hereinafter referred to as the Bank), at the request of \_\_\_\_\_ [Contractor(s)], being the Guarantor under this Guarantee, do hereby irrevocably and unconditionally undertake to forthwith and immediately pay to the Employer, an amount not exceeding Rs. \_\_\_\_\_ without any demur, immediately on demand from the Employer and without any reservation, protest, and recourse and without the Employer needing to prove or demonstrate reasons for its such demand  
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. \_\_\_\_\_<sup>5</sup>.

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 or Arbitrator or any other authority, 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 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 claims satisfied & the Employer certifies that the terms and conditions of the said Contract have been fully and properly carried out by the said contractor(s) or acceptance of the final bill or discharge

## FORMS & PROCEDURES

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of this guarantee by the Employer, whichever is earlier. This guarantee shall initially remain in force upto and including \_\_\_\_\_<sup>6</sup> and shall be extended from time to time for such period as may be desired by the Employer. Unless a demand or claim under this guarantee is made on us in writing on or before the \_\_\_\_\_<sup>7</sup>, 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.

The Bank also agrees that the Employer at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance without proceeding against the Contractor and notwithstanding any security or other guarantee that the Employer may have in relation to the Contractor's liabilities.

This Guarantee shall not be determined or affected by liquidation or winding up, dissolution or change of constitution or insolvency of the Contractor but shall in all respects and for all purposes be binding and operative until payment of all money payable to the Employer in terms thereof. This guarantee will not be discharged due to the change in the constitution of 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:

- a) The liability of the Bank under this Guarantee shall not exceed.....<sup>5</sup>
- b) This Guarantee shall be valid up to .....<sup>6</sup>
- c) Unless the Bank is served a written claim or demand on or before \_\_\_\_\_<sup>7</sup> 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, \_\_\_\_\_ Bank, have power to issue this Guarantee under law and the undersigned as a duly authorized person has full powers to sign this Guarantee on behalf of the Bank.

Date \_\_\_\_\_ Day of \_\_\_\_\_

for \_\_\_\_\_ (indicate the name of the Bank)

(Signature of Authorised signatory)

---

<sup>1</sup> NAME OF VENDOR /CONTRACTOR / SUPPLIER

<sup>2</sup> REGISTERED OFFICE ADDRESS OF THE VENDOR /CONTRACTOR / SUPPLIER.

<sup>3</sup> LETTER OF INTENT(LOI) REFERENCE NO. WITH DATE

<sup>4</sup> CONTRACT VALUE (AS MENTIONED IN LOI)

<sup>5</sup> BG AMOUNT IN FIGURES AND WORDS

<sup>6</sup> VALIDITY DATE

## FORMS & PROCEDURES

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<sup>7</sup> DATE OF EXPIRY OF CLAIM PERIOD (CLAIM PERIOD SHALL BE MINIMUM OF 3 MONTHS AFTER VALIDITY DATE)

Note:

1. The BG should be on Non-Judicial Stamp paper/e-stamp paper of appropriate value as per Stamp Act prevailing in the State(s) where the BG is submitted or is to be acted upon or the rate prevailing in the State where the BG was executed, whichever is higher. The Stamp Paper/e-stamp paper shall be purchased in the name of Vendor/Contractor/Supplier /Bank issuing the guarantee.
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's (BHEL's Consortium Bank) branch in India. 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.
    - b.2 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.
  - b.3 The BG issued may preferably be subject to Uniform Rules for Demand Guarantees (URDG) 758 (as amended from time to time).

## FORMS & PROCEDURES

### BANK GUARANTEE FOR INTEREST BEARING REFUNDABLE ADVANCE

Form No: F-12 (Rev 00)

### **BANK GUARANTEE FOR INTEREST BEARING REFUNDABLE ADVANCE**

B.G. No.

Date

This deed of Guarantee made this \_\_\_\_\_ day of \_\_\_\_\_ two thousand \_\_\_\_\_ by < **Name and Address of Bank** > hereinafter called the "The Guarantor" (which expression shall unless repugnant to the context or meaning thereof be deemed to include its successors and assigns) in favour of M/S Bharat Heavy Electricals Limited a Company incorporated under the Companies Act, 1956, having its registered office at BHEL House, Siri Fort, New Delhi - 110049 through its unit at Bharat Heavy Electricals Limited, Power Sector Southern Region, 690, Anna Salai, Nandhanam, Chennai 600 035, hereinafter called "The Company" (which expression shall unless repugnant to the context or meaning thereof be deemed to include its successors and assigns).

WHEREAS M/s. \_\_\_\_\_ (hereinafter referred to as the Contractor) have entered into a Contract arising out of Letter of Intent no. \_\_\_\_\_ dtd \_\_\_\_\_ (hereinafter referred to as "the Contract") for the < **Name of work** > with the Company.

AND WHEREAS the Contract inter-alia provides that the Company will pay to the Contractor interest bearing advance of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) on certain terms and conditions specified in the Contract subject to the Contractor furnishing a Bank Guarantee for Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) in favour of the Company.

AND WHEREAS the Company has agreed to accept a Bank Guarantee from a Bank to cover the said advance.

AND WHEREAS the Contractor has approached the Guarantor and in consideration of the arrangement arrived at between the Contractor and the Guarantor, the Guarantor has agreed to give the Guarantee as hereinafter mentioned in favour of the Company.

NOW THIS DEED WITNESSES AS FOLLOWS:-

- (1) In consideration of the Company having agreed to advance a sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) to the Contractor, the Guarantor do hereby guarantee the due recovery by the Company of the said advance with interest thereon as provided



## **FORMS & PROCEDURES**

### **BANK GUARANTEE FOR INTEREST BEARING REFUNDABLE ADVANCE**

according to the terms and conditions of the Contract. If the said Contractor fails to utilise the said advance for the purpose of the Contract and /or the said advance together with interest as aforesaid is not fully recovered by the Company the Guarantor do hereby unconditionally and irrevocably undertake to pay to the Company without demur and merely on a demand, to the extent of the said sum of Rs.\_\_\_\_\_ (Rupees\_\_\_\_\_ only) any claim made by the Company on them for the loss or damage caused to or suffered by the Company by reasons of the Company not being able to recover in full the advance with interest as aforesaid.

- (2) The decision of the Company whether the Contractor has failed to utilise the said advance or any part thereof for the purpose of the Contract and / or as to the extent of loss or damage caused to or suffered by the Company by reason of the Company not being able to recover in full the said sum of Rs.\_\_\_\_\_ with interest if any shall be final and binding on the Guarantor, irrespective of the fact whether the Contractor admits or denies the default or questions the correctness of any demand made by the Company in any Court Tribunal or Arbitration proceedings or before any other Authority.
- (3) The Company shall have the fullest liberty without affecting in any way the liability of the Guarantor under this Guarantee, from time to time to vary any of the terms and conditions of the Contract or extend time of performance by the Contractor or to postpone for any time and from time to time any of the powers exercisable by it against the Contractor and either enforce or forebear from enforcing any of the terms and conditions governing the Contract or securities available to the Company and the Guarantor shall not be released from its liability under these presents by any exercise by the Company of the liberty with reference to the matters aforesaid or by reasons of time being given to the Contractor or any other forbearance, act or commission on the part of the Company or any indulgence by the Company to the Contractor or of any other matter or thing whatsoever which under the law relating to sureties would, but for this provision have the effect of so releasing the Guarantor from its liability under this guarantee.
- (4) The Guarantor further agrees that the Guarantee herein contained shall remain in full force and effect during the period till the Company discharges this Guarantee, subject to however, that the Company shall have no claim under this Guarantee after\_\_\_\_\_ i.e. (the present date of validity of Bank Guarantee unless the date of validity of this Bank Guarantee is further extended from time to time, as the case may be) unless a notice of the claim under this Guarantee has been served on the Guarantor before the expiry of the said period in which case the same shall be enforceable against the Guarantor notwithstanding the fact that the same is enforced after the expiry of the said period.

## FORMS & PROCEDURES

### BANK GUARANTEE FOR INTEREST BEARING REFUNDABLE ADVANCE

- (5) The Guarantor undertakes not to revoke this Guarantee during the period it is in force except with the previous consent of the Company in writing and agrees that any liquidation or winding up or insolvency or dissolution or any change in the constitution of the Contractor or the Guarantor shall not discharge the Guarantor's liability hereunder.
- (6) It shall not be necessary for the Company to proceed against the Contractor before proceeding against the Guarantor and the Guarantee herein contained shall be enforceable against them notwithstanding any security which the Company may have obtained or obtain from the Contractor shall at the time when proceedings are taken against the Guarantor hereunder be outstanding or unrealised.
- (7) Notwithstanding anything contained herein before, our liability under the Guarantee is restricted to Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_). Our guarantee shall remain in force until \_\_\_\_\_, i.e. the present date of validity of Bank Guarantee unless the date of validity of this Bank Guarantee is further extended from time to time. Unless a claim or demand under this guarantee is made against us on or before-----, we shall be discharged from our liabilities under this Guarantee thereafter.
- (8) Any claim or dispute arising under the terms of this document shall only be enforced or settled in the courts at Chennai only.
- (9) The Guarantor hereby declares that it has power to execute this Guarantee under its Memorandum and Articles of Association and the executant has full powers to do so on its behalf under the Power of Attorney dated \_\_\_\_\_ (To be incorporated by the Bank) granted to him by the proper authorities of the Guarantor.

IN WITNESS whereof the \_\_\_\_\_(Bank) has hereunto set and subscribed its hand the day, month and year first, above written.

(Name of the Bank)

Signed for and on behalf of the Bank  
(Designation of the Authorized Person Signing the Guarantee)

(Signatory No.-----)

DATED:

SEAL

=====

Notes :

1. The BG shall be executed on non-judicial stamp papers of adequate value procured in the name of the Bank in the State where the Bank is located.
2. The BG is required to be sent by the executing Bank directly to BHEL at the address where tender is submitted / accepted, under sealed cover.

**FORMS & PROCEDURES**  
**FORM for EXTENSION OF VALIDITY OF BANK GUARANTEE**

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Form No: F-13 (Rev 00)

**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..... dated ..... for 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

**FORMS & PROCEDURES**  
**CONTRACT COMPLETION CERTIFICATE**

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Form No: F-20 (Rev 01)

**CONTRACT COMPLETION CERTIFICATE**  
**(Issued by BHEL/HQ on the specific request of Contractor)**

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Ref :

Date:

**To Whom so ever it may concern**

1	DESCRIPTION OF WORK	
2	NAME AND ADDRESS OF THE CONTRACTOR	
3	CONTRACT NO	
4	CONTRACT VALUE	
5	LETTER OF INTENT NO & DATE	
6	CONTRACT PERIOD//CONTRACT DURATION	
7	DATE OF START/COMPLETION	
8	FINAL EXECUTED VALUE	
9	PERFORMANCE	GOOD / SATISFACTORY / UNSATISFACTORY

This certificate is issued as per your request vide letter no .....without any prejudice to the rights of BHEL to use this certificate for evaluation of your offers for future tenders

Yours faithfully,

For and on behalf of Bharat Heavy Electricals Limited

Head (Subcontracts)

**FORMS & PROCEDURES**  
**INDEMNITY BOND**

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Form No: F-21 (Rev 00)

**INDEMNITY BOND**

**(To be executed on a Non Judicial Stamp Paper of the requisite value as per Stamp Duty prevalent in the respective State)**

-----

This Indemnity Bond executed by <name of company> having their Registered Office at <xxxxxxxxxx> in favour of M/s Bharat Heavy Electricals Limited, a Company incorporated under the Companies Act, 1956, having its Registered Office at BHEL House, Siri Fort, Asiad, New Delhi - 110049 through its Unit at Power Sector- Southern Region, 690, Anna Salai, Nandhanam, Chennai-35, Tamilnadu. (Hereinafter referred to as the Company)

And whereas the Company has entered into a Contract with M/s xxxxxxxxx, the executants of this Deed (hereinafter referred to as the Contractor) as its contractor in respect of the work of "xxxxxxxxxxxxxxxxxxxxxxxxxxxxxx".

AND WHEREAS under the provisions of GCC further stipulates that the Contractor shall indemnify the Company against all claims of whatever nature arising during the course of execution of Contract including defects liability period of <xx Months > i.e till <xx xx xxxx>

Now this deed witness that in case the Company is made liable by any Authority including Court to pay any claim or compensation etc. in respect of all labourers or other matters at any stage under or relating to the Contract with the Contractor, the Contractor hereby covenants and agrees with the Company that they shall indemnify and reimburse the Company to the extent of such payments and for any fee, including litigation charges, lawyers' fees, etc, penalty or damages claimed against the Company by reason of the Contractor falling to comply with Central/States Laws, Rules etc, or his failure to comply with Contract ( including all expenses and charges incurred by the Company).

## FORMS & PROCEDURES

### INDEMNITY BOND

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The Contractor further indemnifies the Company for the amount which the Company may be liable to pay by way of penalty for not making deductions from the Bills of the Contractor towards such amount and depositing the same in the Government Treasury.

The Contractor further agree that the Company shall be entitled to with hold and adjust the Security Deposit and/or with hold and adjust payment of Bills of Contractor pertaining to this Contract against any payment which the Company has made or is required to make for which the Contractor is liable under the Contract and that such amount can be withheld, adjusted by the Company till satisfactory and final settlement of all pending matters and the Contractor hereby gives his consent for the same.

The Contractor further agrees that the terms of indemnity shall survive the termination or completion of this contract.

The contractor further agrees that the liability of the contractor shall be extended on actual basis notwithstanding the limitations of liability clause, in respect of :

1. breach of terms of contract by the contractor
2. breach of laws by the contractor
3. breach of Intellectual property rights by the contractor
4. breach of confidentiality by the contractor

Nothing contained in this deed, shall be construed as absolving or limiting the liability of the Contractor under said Contract between the Company and the Contractor. That this Indemnity Bond is irrevocable and the condition of the bond is that the Contractor shall duly and punctually comply with the terms and the conditions of this deed and contractual provisions to the satisfaction of the Company.

In witness where of M/s xxxxxxxxxxxxxx these presents on the day, month and year first, above written at xxxxxxxx by the hand of its signatory Mr. xxxxxxxxxxxx.

Signed for and on behalf of  
M/s xxxxxxxxxxxxxxxxx

Witness:

1  
2

## FORMS & PROCEDURES

Form No: F-23 (Rev 01)  
(WAM-10)

**BHARAT HEAVY ELECTRICALS LIMITED**  
**POWER SECTOR, \_\_\_\_\_ REGION**  
**Claim for Refund of Security Deposit**

Ref No: \_\_\_\_\_

Date: \_\_\_\_\_

1. Name and Address of Contractor :
2. Contract Agreement/Work Order No :
3. Date of Contract Agreement/work Order :
4. Name of the Work undertaken :
5. Date of commencement of the Work :
6. Date of Completion of the Work :
7. Period of Maintenance :
8. Date on which the Final Bill was paid :
9. Last date of making good the defect during Maintenance Period :
10. Expenditure incurred by BHEL during Maintenance Period, if any, recoverable :
11. Date on which security deposit refund falls due as per Contract :
12. Amount deposited/recovered:

Details	Mode	Amount (Rs.)

13. Less Amounts recoverable (with details)
  - (i) Amount spent by BHEL on maintenance :
  - (ii) Payments made by BHEL on behalf of Contractor :
  - (iii) Court dues/penalties/compensation :
  - (iv) Other recoveries for Services etc. :
  - (v) Security deposit released with final bill (%) :
14. Net Amount recommended for release (12-13) :

Details	Mode	Amount (Rs.)

Signature of BHEL Engineer in Charge

Date: \_\_\_\_\_

## FORMS & PROCEDURES

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Form No: F-23 (Rev 01)  
(WAM-10)

### **CERTIFICATE TO BE FURNISHED BY THE CONTRACTOR**

I/We have no claim or demand outstanding against BHEL .....for the work done or for labour or material supplied or any other account arising out of or connected with the contract agreement/work order (No.....dated .....) and the payment of this bill shall be in full and final

Signature of Contractor

Date:

-----  
-----

### **CERTIFICATE TO BE FURNISHED BY SENIOR ENGINEER/CONSTRUCTION MANAGER**

1. Certified that

- The payment recommended for release is in order and there are no demands other than those included in the claim outstanding from the contractor;
- Maintenance period as per the contract agreement is over and the Contractor has carried out the works required to be carried out by him during the period of maintenance to our satisfaction, and all expenses incurred by the Company on carrying out such works have been included for adjustment
- All objections raised so far have been settled
- A note for refund of security deposit has been made in the Measurement Book and Contract Agreement/Work Order

Signature of Senior Engineer

Date:

-----

### **----FOR USE IN ACCOUNTS DEPARTMENT**

Passed for Rs \_\_\_\_\_ ( Rupees \_\_\_\_\_  
only)

Accountant

Accounts Officer



**FORMS & PROCEDURES**  
**REFUND OF GUARANTEE MONEY**

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Form No: F-24 (Rev 00)

**BHARAT HEAVY ELECTRICALS LIMITED**  
**POWER SECTOR, SOUTHERN REGION**

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**REFUND OF GUARANTEE MONEY**

Ref No:

Date:

1. Name and Address of Contractor :
2. Contract Agreement/LOI No :
3. Date of Contract Agreement/LOI :
4. Name of the Work undertaken :
5. Date of commencement of the Work :
6. Date of Completion of the Work :
7. Period of Maintenance (Guarantee Period)
8. Date on which the Final Bill was paid :
9. Last date of making good the defect during Maintenance Period :
10. Expenditure incurred by BHEL during Maintenance Period, if any, recoverable :
11. Date on which Guarantee Money refund falls due as per Contract :
12. Amount of Guarantee Money to be refunded :
13. Less Amounts recoverable (with details)
  - a. Amount spent by BHEL on maintenance :
  - b. Payments made by BHEL on behalf of Contractor:
  - c. Court dues/penalties/compensation :
  - d. Other recoveries for Services, etc :
  - e. Total of 'a' to 'd' :
14. Net Amount recommended for release (12-13) :

Signature of BHEL Engineer

Date: \_\_\_\_\_

**FORMS & PROCEDURES**  
**REFUND OF GUARANTEE MONEY**

---

**CERTIFICATE TO BE FURNISHED BY THE CONTRACTOR**

I / We have no claim or demand outstanding against BHEL\_\_\_\_\_, for the work done or for labour or material supplied or any other account arising out of or connected with the Contract Agreement / LOI (No \_\_\_\_\_ dated \_\_\_\_\_) and the payment of this bill shall be in full and final settlement of all my/our claims and demands including the 'Deposits' of the Contract Agreement / LOI referred to.

Signature of Contractor

Date: \_\_\_\_\_

**CERTIFICATE TO BE FURNISHED BY SENIOR ENGINEER/CONSTRUCTION MANAGER**

1. Certified that

- a. The payment recommended for release is in order and there are no demands other than those included in the claim outstanding from the Contractor
- b. Maintenance period (Contract Guarantee period) is over and the Contractor has carried out the works required to be carried out by him during the period of maintenance (Guarantee) to our satisfaction, and all expenses incurred by the Company on carrying out such works have been included for adjustment
- c. All objections raised so far have been settled
- d. A note for refund of Guarantee Amount has been made in the Measurement Book and Contract Agreement / Work Order

Signature of BHEL Engineer

Construction Manager

Date: \_\_\_\_\_

**FOR USE IN ACCOUNTS DEPARTMENT**

Passed for Rs \_\_\_\_\_ ( Rupees \_\_\_\_\_ only)

Accountant

Accounts Officer

**ACKNOWLEDGE BY THE CONTRACTOR**

Received Rs \_\_\_\_\_ in full and final settlement of my / our claim

Signature of Contractor

Date: \_\_\_\_\_

**FORMS & PROCEDURES**  
**POWER OF ATTORNEY for SUBMISSION OF TENDER / SIGNING CONTRACT**  
**AGREEMENT**

---

Form No: F-25 (Rev 00)

**POWER OF ATTORNEY for SUBMISSION OF TENDER / SIGNING CONTRACT**  
**AGREEMENT**

(To be typed on non judicial Stamp Papers of appropriate value as applicable and Notarised)

KNOW ALL MEN BY THESE PRESENTS, that I / We do hereby make, nominate, constitute and appoint Mr ..... , whose signature given below herewith to be true and lawful Attorney of M/s..... hereinafter called 'Company', for submitting Tender/entering into Contract and inter alia, sign, execute all papers and to do necessary lawful acts on behalf of Company with M/s Bharat Heavy Electricals Ltd, Power Sector Southern Region, 690, Anna Salai, Nandhanam, Chennai-35 in connection with .....  
.....  
..... vide Tender Specification No : \_\_\_\_\_,  
dated \_\_\_\_\_.

And the Company do hereby agree to ratify and confirm all acts, deeds, things or proceedings as may be lawfully done by the said attorney and by or on behalf of the company and in the name of the company, by virtue of the powers conferred herein and the same shall be binding on the company and shall have full force and effect.

IN WITNESS WHEREOF the common seal of the company has been hereunto affixed in the manner hereinafter appearing on the document.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_

Director / CMD / Partner / Proprietor

Signature of Mr.....(Attorney)

Attested by: Director/CMD/Partner/Proprietor

Witness

Notary Public

<b>BHARAT HEAVY ELECTRICALS LIMITED</b>	
DIVISION.....	
<b>Running Account Bill</b>	
<b>(Para 4.3.2 Of Works Accounts Manual)</b>	
Departmental Bill no:	Date
Name of Contractor:	Division:
Name of the Work:	Date of written order to commence the work
Sanctioned Estimate:	Period of work covered in this bill:
Contract Agreement/work Order No:	Date of commencement of work
Dated:	Due date of completion as per agreement
	Date of actual completion of the work

**I. ACCOUNT OF WORK EXECUTED**

Adhoc payment for work not previously measured **			Item No of the agreement/work order	Description of work	Quantity as per agreement	Quantity executed up to date	Rate Rs.	Unit	Payment on the basis of actual measurement up to date Rs	Quantity since last running account bill	Payment on the basis of actual measurement since last running account bill	Remarks
Total as per running account bill Rs.	Since last running account bill Rs.	Total up to date Rs	4	5	6	7	8	9	10	11	12	13
1	2	3										

\*\* 1. Whenever payment is made on adhoc basis without actual measurements the amount in whole rupees should be entered in columns 1 to 3 only and not in columns 7 to 12.  
 2. Whenever there is an entry in column 12 on the basis of actual measurement, the whole of the amount previously paid without detailed measurement should be adjusted by a minus entry in column 2 equivalent to the amount shown in column 1, so that the total upto date in column 3 may become nil.

Total Value of Work Done up to date	(A)
Deduct Value of work shown on the last running account bill	(B)
Net value of work done since last running account bill	(C)
Rupees (In Words).....Only	

Note :  
 Wherever adhoc payments to contractors against running bills are made in accordance with the extant Works Policy, the amount so paid shall be adjusted.

**II MEMORANDUM OF PAYMENT**

	I	II
1 Total Value of work actually measured as per Account no I column 10	.....	.....
2 Total upto date adhoc payment for work covered by approximate or plan measurements as per	(A)	(B)
3 Total upto date payments [(A)+(B)]	.....	.....
4 Total amount of payments already made as per entry (D) of last Running Account Bill	(C)	.....
No. .... dated ..... forwarded to the Accounts Department on .....	(D)	.....
6 Balance [(C) - (D)]	.....	.....
7 Payments now to be made:		
a by cash / cheque	.....	.....
b by deduction for value of materials supplied by BHEL vide Annexure A attached	.....	.....
c by deduction for hire of tools and plant vide Annexure B attached	.....	.....
d by deduction for other charges vide Annexure C attached	.....	.....
e by deduction on account of security deposit	.....	.....
f by deduction on account of Income Tax	.....	.....

Note: Amounts relating to items 4 to 6 above should be entered in column II and those relating to item 7 in column I. The amount shown against item 6 and the total of item 7 should agree with each other.

**III. CERTIFICATE OF THE ENGINEER IN CHARGE**

- 1 "The measurements on which the entries in column 7 to 12 of Part I of this Bill (Account of work executed) are based were made by ..... (Name and Designation) and are recorded at pages.....of Measurement Book No. ...."
- 2 Certified that the methods of measurement are correct and the work has been carried out in accordance with the terms and conditions, schedules, specifications and drawings etc. forming part of the contract agreement, subject to deviations included in the deviation statement (Annexure D)
- 3 Certified that in addition to and quite apart from the quantities of work actually executed as shown in column 10 of Part I, some work has actually been done in connection with several items and the value of the such work is, in no case, less than the adhoc payments as per column 3 of Part I, made or proposed to be made, for the convenience of the contractor in anticipation of, and subject to the results of, detailed measurement which will be made as soon as possible.
- 4 Certified that measurements by Engineer-in-charge and test check of prescribed percentage of measurements by the concerned superior authorities has been carried out.
- 5 Certified that there are no pending recoveries from the contractor on account of chargeable items (e.g T&P, consumables, material, etc.) issued either by BHEL or by the customer and other recoveries like power, water, quarter, tax liability towards declaration forms etc.
- 6 Certified that with regard to the free issues, regular reconciliation is being done, completed upto ----- and there are no recoveries pending from the contractor on account of such issues in excess of requirement for execution of work as per contract.
- 7 Certified that there is no pending recovery for damaged material issued free of cost.
- 8 Certified that the contractor has fulfilled all the requirements as per contract with reference to statutory obligations (PF, ESI, Minimum Wages, BOCW, Insurance etc.), support services such as service manpower, computer system, T&P etc

Signature of Contractor  
Date:

Signature of  
Designation  
Date:

**IV CERTIFICATE OF THE SENIOR ENGINEER**

1	"Certified that the measurements have been check measured to the prescribed extent by ..... (Name and Designation) at site and also by the undersigned and the relevant entries have been initiated in the Measurement Book. (vide pages .....)"
2	Certified that all the measurements recorded in the measurement book have been correctly billed for
3	Certified that all recoverable amounts in respect of materials tools and plant etc. and other charges have been correctly made vide annexures A to C attached.
4	Certified that the measurements have been technically checked with reference to contract drawings, deviations etc.

Certified for payment of \* Rs ..... (Rupees). ..... (Only).

\* Here specify the net amount payable

**V. ENTRIES TO BE MADE IN THE ACCOUNTS OFFICE**

Accounts Bill No.....	dated.....	Signature of Senior Engineer	Code No.
Entered in Journal Book vide entry No. ....	dated.....	Date	
Passed for .....	Rs. ....	Allocation	Debit
Less Deductions .....	Rs. ....	(Gross amount)	(Deductions)
Net amount payable .....	Rs. ....		
(Rupees ..... Only)			
Payable to Shri / M/s.....	by cheque / cash		
Entered in Contractors ledger No. ....	Page .....		
<b>Total</b>			

Assistant  
Date:

Accountant  
Date:

Finance Executive  
Date:







ANNEXURE C

Statement showing detail of other recoveries to be made from the contractor Shri/M/s..... Dated.....  
in respect of Contract Agreement /Work Order No.....

Sr.No	Particulars	Unit	Quantity	Rate Rs.	Amount recoverable Rs.	Amount recovered upto previous bill Rs.	Amount now recovered Rs.	Remarks
1	2	3	4	5	6	7	8	9
1	Water Charges							
2	Electricity Charges							
3	Medical Charges							
4	Cost of empty gunny bags and empty containers not returned							
5								
6								
7								

<b>TOTAL</b>		
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Signature of Contractor  
Date:

Signature of Engineer Incharge  
Date:

Signature of Senior Engineer  
Date:



<b>BHARAT HEAVY ELECTRICALS LIMITED</b> DIVISION..... .....And Final bill (Para 4.3.2 Of Works Accounts Manual)									
Departmental Bill no		Date		Division:		Sub-Division:			
Name of Contractor									
Name of the Work		Date of written order to commence the work							
Sanctioned Estimate		Date of commencement of work							
Contract Agreement/work Order No		Dated:							
		Due date of completion as per agreement							
		Date of actual completion of the work							

**I. ACCOUNT OF WORK EXECUTED**

Adhoc payment for work not previously measured **			Item No of the agreement/work order	Description of work	Quantity as per agreement	Quantity executed up to date	Rate Rs.	Unit	Payment on the basis of actual measurement up to date Rs	Quantity since last running account bill	Payment on the basis of actual measurement since last running account bill Rs	Remarks
Total as per Remarks last running account bill Rs.	Since last running account bill Rs.	Total up to date Rs	4	5	6	7	8	9	10	11	12	13
1	2	3										

\*\* Whenever there is an entry in column 12 on the basis of actual measurement, the whole of the amount previously paid without detailed measurement should be adjusted by a minus entry in column 2 equivalent to the amount shown in column 1, so that the total upto date in column 3 may become nil.

Total Value of Work Done up to date	(A)
Deduct Value of work shown on the last running account bill	(B)
Net value of work done since last running account bill	(C)

Rupees (In Words).....Only

## II MEMORANDUM OF PAYMENT

1	Total Value of work actually measured as per Account no I coloumn 10	(A)	Rs.
2	Deduct amount of payments already made as per last running account bill No ..... Dated .....	(B)	
	Forwarded to the Accounts Office on .....	(C)	
3	Payments now to be made { (A) - (B) }		
4	Deduct amounts recoverable from the contractor on account of :		
	a Material supplied by BHEL vide annexure A attached		
	b Hire of Tools & Plants vide Annexure B attached		
	c Other charges vide Annexure C attached		
	d Income Tax		
	Total deduction		
5	Balance		
6	Refund of security deposit		
7	Net amount to be paid to the Contractor		
	Net value Rupees (in words) .....		Only

I/ We hereby certify that I/We have performed the work as per the terms and conditions of Contract Agreement/Work Order No..... Dated..... for which payment is claimed as above and that I/We have no further claim under this agreement/work order.

Signature of Contractor  
Date:

### III. CERTIFICATE OF THE ENGINEER IN CHARGE

1 "The measurement on which the entries in columns 7 to 11 of Part I of this bill (Account of work executed) are based were made by  
.....  
(Name and designation)  
2 A statement showing the quantities of stores issued to the contractor (whether free or on recovery basis) and their disposal is attached."

Date: \_\_\_\_\_

Signature of Engineer in charge  
Designation \_\_\_\_\_

IV CERTIFICATE OF THE SENIOR ENGINEER

1 "Certified that I have personally inspected the work and that the work has been physically completed on the due date in accordance with the terms and conditions, schedules, specifications and drawings etc, forming part of the contract agreement, subject to the deviations noted in the deviation statement (Annexure D)

2 Certfied that the measurements have been check measured to the prescribed extent by ..... and by the the undersigned at site and relevent entries have been initiated in the measurement book (vide pages.....)

3 Certified that the methods of measurement are correct

4 Certified that the measurements have been technically checked with reference to contract drawings, deviations etc.

5 Certified that the measurements recorded in the measurement book have been correctly billed for at the contract rates or approved rates.

6 Certified that all the recoverable amounts in respect of stores, tools and plant,water, electricity charges etc, have been correctly made vide Annexures A to C and that there is no other demands outstanding against the contractor on this contract.

7 Certified that the issues of all stores as per statement attached (whether charged to the contractor or direct to the work) have been technically checked and represent fair and reasonable issues for the items of work executed vide Annexure E.

Certified that all statutory requirements including PF, ESI, Minimum wages, Insurance, GST, BOCW, etc. are complied with by the Contractor. This should be duly backed by the relevant documents."

Certified for payment of \* Rs .....

(Rupees)..... (Only).

\* Here specify the net amount payable

Signature of Senior Engineer  
Date

V. ENTRIES TO BE MADE IN THE ACCOUNTS OFFICE

Passed for.....	Rs.....
Less Deductions.....	Rs.....
Net Amount Payable.....	Rs.....
(Rs.....)	Only)

Account code Head	Debit	Credit
	(Gross Amount)	(Deductions)

Assistant

Accountant  
Date:

Finanace Executive  
Date:



Total  
Add Departmental Charges  
Add GST (wherever applicable)  
**GRAND TOTAL**

Signature of Senior Engineer  
Date

**Note:** Cost of materials recovered in this bill should be shown against item 4 (a) of the memorandum of payments. The amounts of taxes and departmental charges recovered in this bill should be incorporated in Annexure C.

Statement showing TOOLS & PLANTS issued to the contractor Shri/M/s..... in respect of Contract Agreement/Work Order No. .... Dated .....

SI No	Description of tools & plants issued	Period for which issued	Rate at which Recovery is to be made	Amount recoverable Rs	Amount recoverable upto previous bill Rs	Balance Now recovered Rs	Remarks
1	2	3	4	5	6	7	8
			Total				

Signature of Senior Engineer  
Date:



**ANNEXURE C**

Statement showing detail of other recoveries to be made from the contractor Shri/M/s.....  
in respect of Contract Agreement /Work Order No.....Dated.....

Sr.No	Particulars	Unit	Quantity	Rate Rs.	Amount recoverable Rs.	Amount recovered upto previous bill Rs.	Amount now recovered Rs.	Remarks
1	2	3	4	5	6	7	8	9
1	Water Charges							
2	Electricity Charges							
3	Medical Charges							
4	Cost of empty gunny bags and empty containers not returned							
5								
6								
7				<b>TOTAL</b>				

Signature of Contractor  
Date:

Signature of Engineer Incharge  
Date:

Signature of Senior Engineer  
Date:

Contract Agreement/Work Order No.  
Date:

[illegible]

Signature of Senior Engineer  
Date:



## FORMS & PROCEDURES

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## ANNEXURE F

Statement showing detail of materials issued to the contractor Shri/M/s.....  
in respect of Contract Agreement/Work Order No.....Dated.....

**Name of Work:**

**FREE OF COST**

Sr.No	Stores issue voucher No.	Description of material	Unit	Quantity issued	Quantity required as per data	Quantity consumed in the work	Balance (If any)	Nature of disposal for the balance	Rate chargeable for material not returned Rs.	Amount recoverable for material not returned P	Remarks
1	2	3	4	5	6	7	8	9	10	11	12
								TOTAL			

Signature of Contractor  
Date:

Signature of Engineer Incharge  
Date:

Signature of Senior Engineer  
Date:

Note: Data statement of theoretical consumption should be attached in support of the quantity specified in column 6

	<b>QUESTIONNAIRE TO BE ANSWERED BY ENGINEER IN CHARGE AND SENIOR ENGINEER</b>	
	(Correct particulars and answers to be recorded)	
1	Name of the work :	
2	Name of the Contractor :	
3	Date of commencement of the work:	
4	Contract agreement/work ordered no. and date:	
5	Reference to supplementary agreement no,if any :	
6	Whether administrative approval and technical sanction has been accorded by the competent authority ? If so ,cite reference	
7	Whether sanction of the competent authority and financial concurrence of the Accounts Department for award of the work has been accorded ? If so,cite reference.	
8	Whether the work has been completed in time ? If not ,whether penalty has been levied or sanction of the competent authority for extension of time granted and communicated to the Accounts Department with reasons for grant of extension? (Due and actual date of completion of the work and reference to letter no. and date granting the extension of time should be given)	
9	(a) Whether the rates allowed in the bill have been checked with the contract agreement ? (b) Whether the rates for extra/supplemental items have been approved by the competent authority and the sanction communicated to the accounts Department together with rate analysis? If so,cite reference.	
10	Whether deviations have been approved by the competent authority? If yes, give reference to the approval; if not, give reasons.	
11	Whether the rates of recovery of stores issued to the contractor which are not provided for in the Contract Agreement have been settled in consultation with Finance?	
12	Whether discrepancies pointed out by the Accounts Department in the store statement have been reconciled and accepted by the Accounts Department?	

<b>QUESTIONNAIRE TO BE ANSWERED BY ENGINEER IN CHARGE AND SENIOR ENGINEER</b>		
(Correct particulars and answers to be recorded)		
13	Whether materials issued to the contractor in excess of the theoretical requirements have been returned to the Stores Department and the no. and date of such returned stores vouchers have been shown in stores statement? If not, whether the cost of such excess material has been recovered at the prescribed rate? Whether consumption statements in respect of materials chargeable to the work have been attached to the bill?	
14	Whether consumption of materials shown has been technically checked by Senior Engineer?	
15	Whether materials issued and used in the work is not less than that required for consumption in work according to our specification? If consumption is less, whether necessary recovery has been made in the bill?	
16	Whether measurements have been checked by the Engineer and Senior Engineer to the extent required and certificates of check recorded in the measurements books?	
17	Whether contractor has signed the bill and the measurement books without reservations? If not; whether reasons have been intimated to the Accounts Department?	
18	Whether arithmetical calculations have been checked and certificate recorded in the measurement books by a person other than the one who calculated initially	
19	Whether any work was done at the risk and cost of the contractor and whether such cost has been recovered from him? Give particulars.	
20	Whether all advance payments on running Accounts have been recovered?	
21	Whether all the recoveries due to services given to the contractor like rent of accommodation, water charges, electricity charges etc. have been recovered and whether payments made by the company on behalf of the contractor have been adjusted?	
22	Whether the files containing abstracts from measurements books/ standard measurement books have been completed/ updated?	
23	Whether hire charges of tools and plant have been recovered and the statement of hire charges with full details attached?	

<b>QUESTIONNAIRE TO BE ANSWERED BY ENGINEER IN CHARGE AND SENIOR ENGINEER</b>		
(Correct particulars and answers to be recorded)		
24	Whether the certificate of workmanship and completion of work according to specifications, drawings etc. is recorded by Engineer/ Senior Engineer and whether recoveries have been made for defective works, if any?	
25	Whether all corrections in the bill/measurement books etc. have been neatly made and attested and there are no overwriting?	
26	Whether final measurements have been taken as soon as possible after completion of work and the certificate of completion issued? If not, whether reasons for delay have been recorded and communicated to Accounts?	
27	In respect of quantities reduced in the final bill as compared to the running payment, whether adequate reasons have been recorded and communicated to Finance Department?	
28	Whether the Expenditure has been classified correctly according to heads of Account recorded in the sanctioned estimate?	
29	Whether the work has been completed within the estimated cost? If not, what is the percentage of excess over the sanctioned estimate/ administrative approval? In case the excess is beyond the competency of Senior Engineer, what action has been taken for the obtaining the approval of the authority competent to sanction the excess?	
30	(a) If the contractor has furnished bank guarantee in lieu of cash security deposit towards proper execution of works and guarantee against defects during the maintenance period, whether the period of currency of the bank guarantee covers the entire maintenance period? (b) If not, whether security deposit has been proposed to be recovered from the final bill?	
31	Whether all the previous audit objections raised on running Account bills have been settled? If so, cite reference.	
Signature of Engineer in Charge		Signature of Senior Engineer
Date:		Date:

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**PROCEDURE FOR CONDUCT OF CONCILIATION PROCEEDINGS**

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1. The proceedings of Conciliation shall broadly be governed by Part-III of the Arbitration and Conciliation Act 1996 or any statutory modification thereof and as provided herein:
2. The party desirous of resorting to Conciliation shall send an invitation/notice in writing to the other party to conciliate specifying all points of Disputes with details of the amount claimed. The party concerned shall not raise any new issue thereafter. Parties shall also not claim any interest on claims/counter-claims from the date of notice invoking Conciliation till the conclusion of the Conciliation proceedings. If BHEL is to initiate Conciliation, then, the invitation to Conciliate shall be extended to the concerned Stakeholder in **Format 7** hereto. Where the stakeholder is to initiate the Conciliation, the notice for initiation of Conciliation shall be sent in **Format-8** hereto.
3. The party receiving the invitation/notice for Conciliation shall within 30 days of receipt of the notice of Conciliation intimate its consent for Conciliation along with its counter-claims, if any.
4. The Conciliation in a matter involving claim or counter-claim (whichever is higher) up to Rs 5 crores shall be carried out by sole Conciliator nominated by BHEL while in a matter involving claim or counter-claim (whichever is higher) of more than Rs 5 crores Conciliation shall be carried out by 3 Conciliators nominated by BHEL. The appointment of Conciliator(s) shall be completed and communicated by the concerned Department/Group of BHEL Unit/Division/Region/Business Group to the other party and the Conciliator(s) within 30 days from the date of acceptance of the invitation to conciliate by the concerned party in the **Format-9**. The details of the Claim, and counter-claim, if any, shall be intimated to the Conciliator(s) simultaneously in **Format-5**.
5. The Parties shall be represented by only their duly authorized in-house executives/officers and neither Party shall be represented by a Lawyer.
6. The first meeting of the IEC shall be convened by the IEC by sending appropriate communication/notice to both the parties as soon as possible but not later than 30 days from the date of his/their appointment. The hearings in the Conciliation proceeding shall ordinarily be concluded within two (2) months and, in exceptional cases where parties have expressed willingness to settle the matter or there exists possibility of settlement in the matter, the proceedings may be extended by the IEC by a maximum of further 2 months with the consent of the Parties subject to cogent reasons being recorded in writing.



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- 7.** The IEC shall thereafter formulate recommendations for settlement of the Disputes supported by reasons at the earliest but in any case within 15 days from the date of conclusion of the last hearing. The recommendations so formulated along with the reasons shall be furnished by the IEC to both the Parties at the earliest but in any case within 1 month from the date of conclusion of the last hearing.
- 8.** Response/modifications/suggestions of the Parties on the recommendations of the IEC are to be submitted to the IEC within time limit stipulated by the IEC but not more than 15 days from the date of receipt of the recommendations from the IEC.
- 9.** In the event, upon consideration, further review of the recommendations is considered necessary, whether by BHEL or by the other Party, then, the matter can be remitted back to the IEC with request to reconsider the same in light of the issues projected by either/both the Parties and to submit its recommendations thereon within the following 15 days from the date of remitting of the case by either of the Parties.
- 10.** Upon the recommendations by the Parties, with or without modifications, as considered necessary, the IEC shall be called upon to draw up the Draft Settlement Agreement in terms of the recommendations.
- 11.** When a consensus can be arrived at between the parties only in regard to any one or some of the issues referred for Conciliation the draft Settlement Agreement shall be accordingly formulated in regard to the said Issue(s), and the said Settlement Agreement, if signed, by the parties, shall be valid only for the said issues. As regards the balance issues not settled, the parties may seek to resolve them further as per terms and conditions provided in the contract.
- 12.** In case no settlement can be reached between the parties, the IEC shall by a written declaration, pronounce that the Conciliation between the parties has failed and is accordingly terminated.
- 13.** Unless the Conciliation proceedings are terminated in terms of para 22 (b), (c) & (d) herein below, the IEC shall forward his/its recommendations as to possible terms of settlement within one (1) month from the date of last hearing. The date of first hearing of Conciliation shall be the starting date for calculating the period of 2 months.
- 14.** In case of 3 members IEC, 2 members of IEC present will constitute a valid quorum for IEC and meeting can take place to proceed in the matter after

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seeking consent from the member who is not available. If necessary, videoconferencing may be arranged for facilitating participation of the members. However, the IEC recommendations will be signed by all members. Where there is more than one (1) Conciliator, as a general rule they shall act jointly. In the event of differences between the Members of IEC, the decision/recommendations of the majority of the Members of IEC shall prevail and be construed as the recommendation of the IEC.

- 15.** The Draft Settlement Agreement prepared by the IEC in terms of the consensus arrived at during the Conciliation proceedings between the Parties shall be given by the IEC to both the parties for putting up for approval of their respective Competent Authority.
- 16.** Before submitting the draft settlement agreement to BHEL's Competent Authority viz. the Board Level Committee on Alternative Dispute Resolution (BLCADR) for approval, concurrence of the other party's Competent Authority to the draft settlement agreement shall be obtained by the other party and informed to BHEL within 15 days of receipt of the final draft settlement agreement by it. Upon approval by the Competent Authority, the Settlement Agreement would thereafter be signed by the authorized representatives of both the Parties and authenticated by the members of the IEC.
- 17.** In case the Draft Settlement Agreement is rejected by the Competent Authority of BHEL or the other Party, the Conciliation proceedings would stand terminated.
- 18.** A Settlement Agreement shall contain a statement to the effect that each of the person(s) signing thereto (i) is fully authorized by the respective Party(ies) he/she represents, (ii) has fully understood the contents of the same and (iii) is signing on the same out of complete freewill and consent, without any pressure, undue influence.
- 19.** The Settlement Agreement shall thereafter have the same legal status and effect as an arbitration award on agreed terms on the substance of the dispute rendered by an arbitral tribunal passed under section 30 of the Arbitration and Conciliation Act, 1996.
- 20.** Acceptance of the Draft Settlement Agreement/recommendations of the Conciliator and/or signing of the Settlement Agreement by BHEL shall however, be subject to withdrawal/closure of any arbitral and/or judicial proceedings initiated by the concerned Party in regard to such settled issues.
- 21.** Unless otherwise provided for in the agreement, contract or the Memorandum of Understanding, as the case may be, in the event of likelihood of prolonged

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absence of the Conciliator or any member of IEC, for any reason/incapacity, the Competent Authority/Head of Unit/Division/Region/Business Group of BHEL may substitute the Conciliator or such member at any stage of the proceedings. Upon appointment of the substitute Conciliator(s), such reconstituted IEC may, with the consent of the Parties, proceed with further Conciliation into the matter either de-novo or from the stage already reached by the previous IEC before the substitution.

**22.** The proceedings of Conciliation under this Scheme may be terminated as follows:

- a.** On the date of signing of the Settlement agreement by the Parties; or,
- b.** By a written declaration of the IEC, after consultation with the parties, to the effect that further efforts at conciliation are no longer justified, on the date of the declaration; or,
- c.** By a written declaration of the Parties addressed to the IEC to the effect that the Conciliation proceedings are terminated, on the date of the declaration; or,
- d.** By a written declaration of a Party to the other Party and the IEC, if appointed, to the effect that the Conciliation proceedings are terminated, on the date of the declaration; or,
- e.** On rejection of the Draft Settlement Agreement by the Competent Authority of BHEL or the other Party.

**23.** The Conciliator(s) shall be entitled to following fees and facilities:

<b>Sl No</b>	<b>Particulars</b>	<b>Amount</b>
1	Sitting fees	Each Member shall be paid a Lump Sum fee of Rs 75,000/- for the whole case payable in terms of paragraph No. 27 herein below.
2	Towards drafting of settlement agreement	In cases involving claim and/or counter-claim of up to Rs 5crores. Rs 50,000/- (Sole Conciliator) In cases involving claim and/or counter-claim of exceeding Rs 5 crores but less than Rs 10 crores. Rs 75,000 (per Conciliator)

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Sl No	Particulars	Amount
		<p>In cases involving claim and/or counter-claim of more than Rs 10 crores.</p> <p style="text-align: center;">Rs 1,00,000/- (per Conciliator)</p> <p>Note: The aforesaid fees for the drafting of the Settlement Agreement shall be paid on the,</p> <p>Signing of the Settlement Agreement after approval of the Competent Authority</p> <p>or</p> <p>Rejection of the proposed Settlement Agreement by the Competent Authority of BHEL.</p>
<b>3</b>	Secretarial expenses	<p>Rs 10,000/- (one time) for the whole case for Conciliation by a Sole Member IEC.</p> <p>Where Conciliation is by multi member Conciliators –Rs 30,000/- (one time)- to be paid to the IEC</p>
<b>4</b>	Travel and transportation and stay at outstation Retired Senior Officials of other Public Sector Undertakings (pay scale wise equivalent to or more than E-8 level of BHEL)	As per entitlement of the equivalent officer (pay scale wise) in BHEL.
	Others	<p>As per the extant entitlement of whole time Functional Directors in BHEL.</p> <p>Ordinarily, the IEC Member(s) would be entitled to travel by air Economy Class.</p>
<b>5</b>	Venue for meeting	Unless otherwise agreed in the agreement, contract or the Memorandum of Understanding, as the case may be, the venue/seat of proceedings shall be the location of the concerned Unit / Division / Region /

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Sl No	Particulars	Amount
		Business Group of BHEL. Without prejudice to the seat/venue of the Conciliation being at the location of concerned BHEL Unit / Division / Region / Business Group, the IEC after consulting the Parties may decide to hold the proceedings at any other place/venue to facilitate the proceedings. Unless, Parties agree to conduct Conciliation at BHEL premises, the venue is to be arranged by either Party alternately.

- 24.** The parties will bear their own costs including cost of presenting their cases/evidence/witness(es)/expert(s) on their behalf. The parties agree to rely upon documentary evidence in support of their claims and not to bring any oral evidence in IEC proceedings.
- 25.** If any witness(es) or expert(s) is/are, with the consent of the parties, called upon to appear at the instance of the IEC in connection with the matter, then, the costs towards such witness(es)/expert(s) shall be determined by the IEC with the consent of the Parties and the cost so determined shall be borne equally by the Parties.
- 26.** The other expenditures/costs in connection with the Conciliation proceedings as well as the IEC's fees and expenses shall be shared by the Parties equally.
- 27.** Out of the lump sum fees of Rs 75,000/- for Sitting Fees, 50% shall be payable after the first meeting of the IEC and the remaining 50% of the Sitting Fees shall be payable only after termination of the conciliation proceedings in terms of para 22 hereinabove.
- 28.** The travelling, transportation and stay at outstation shall be arranged by concerned Unit as per entitlements as per Serial No. 4 of the Table at para 23 above, and in case such arrangements are not made by the BHEL Unit, the same shall be reimbursed to the IEC on actuals limited to their entitlement as per Serial No. 4 of the Table at Para 23 above against supporting documents. The IEC Member(s) shall submit necessary invoice for claiming the fees/reimbursements.
- 29.** The Parties shall keep confidential all matters relating to the conciliation proceedings. Confidentiality shall extend also to the settlement agreement,

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except where its disclosure is necessary for purposes of its implementation and enforcement or as required by or under a law or as per directions of a Court/Governmental authority/ regulatory body, as the case may be.

- 30.** The Parties shall not rely upon or introduce as evidence in any further arbitral or judicial proceedings, whether or not such proceedings relate to the Disputes that is the subject of the Conciliation proceedings:
- a.** Views expressed or suggestions made by the other party in respect of a possible settlement of the Disputes;
  - b.** admissions made by the other party in the course of the Conciliator proceedings;
  - c.** proposals made by the Conciliator;
  - d.** The fact that the other Party had indicated his willingness to accept a proposal for settlement made by the Conciliator.
- 31.** The Parties shall not present the Conciliator(s) as witness in any Alternative Dispute Resolution or Judicial proceedings in respect of a Disputes that is/was the subject of that particular Conciliation proceeding.
- 32.** None of the Conciliators shall act as an arbitrator or as a representative or counsel of a Party in any arbitral or judicial proceeding in respect of a Disputes that is/was the subject of that particular Conciliation proceeding.
- 33.** The Parties shall not initiate, during the Conciliation proceedings, any arbitral or judicial proceedings in respect of a Disputes that is the subject matter of the Conciliation proceedings except that a Party may initiate arbitral or judicial proceedings where, in his opinion, such proceedings are necessary for preserving his rights including for preventing expiry of period of limitation. Unless terminated as per the provisions of this Scheme, the Conciliation proceedings shall continue notwithstanding the commencement of the arbitral or judicial proceedings and the arbitral or judicial proceedings shall be primarily for the purpose of preserving rights including preventing expiry of period of limitation.
- 34.** The official language of Conciliation proceedings under this Scheme shall be English unless the Parties agree to some other language.

**STATEMENT OF CLAIMS/COUNTER CLAIMS TO BE SUBMITTED TO THE  
IEC BY BOTH THE PARTIES**

1. Chronology of the Disputes
2. Brief of the Contract/MoU/Agreement/LOI/LOA
3. Brief history of the Disputes:
4. Issues:
5. Details of Claim(s)/Counter Claim(s):

<b>Sl. No.</b>	<b>Description of claim(s)/Counter Claim</b>	<b>Amount (in INR)Or currency applicable in the contract</b>	<b>Relevant contract clause</b>

6. Basis/Ground of claim(s)/counter claim(s) (along with relevant clause of contract)

**Note**– *The Statement of Claims/ Counter Claims may ideally be restricted to maximum limit of 20 pages. Relevant documents may be compiled and submitted along with the statement of Claims/ Counter Claims. The statement of Claims/ Counter Claims is to be submitted to all IEC members and to the other party by post as well as by email.*

**FORMAT FOR NOTICE INVOKING CONCILIATION CLAUSE BY BHEL FOR REFERRING THE DISPUTES TO CONCILIATION THROUGH IEC**

To,

M/s. (Stakeholder's name)

Subject: **NOTICE FOR INVOCATION OF THE CONCILIATION CLAUSE OF THE CONTRACT BY BHEL**

Ref: Contract No/MoU/Agreement/LOI/LOA& date \_\_\_\_\_.

Dear Sir/Madam,

As you are aware, with reference to above referred Contract/MoU/Agreement/LOI/LOA, certain disputes have arisen, which, in spite of several rounds of mutual discussions and various correspondences have remained unresolved. The brief particulars of our claims which arise out of the above- referred Contract/MoU/Agreement/LOI/LOA are reproduced hereunder:

Sl. No.	Claim description	Amount involved

As you are aware, there is a provision in the captioned Contract/MoU/Agreement/LOI/ LOA for referring disputes to conciliation.

In terms of Clause -----of Procedure i.e., Annexure ----- to the Contract/MoU /Agreement / LOI / LOA, we hereby seek your consent to refer the matter to Conciliation by Independent Experts Committee to be appointed by BHEL. You are invited to provide your consent in writing to proceed with conciliation into the above mentioned disputes within a period of 30 days from the date of this letter along with details of counter-claims, if any, which you might have with regard to the subject Contract/ MoU/ Agreement/ LOI/ LOA.

Please note that upon receipt of your consent in writing within 30 days of the date of receipt of this letter by you, BHEL shall appoint suitable person(s) from the BHEL Panel of Conciliators.

This letter is being issued without prejudice to our rights and contentions available under the contract and law.

Thanking you  
Yours faithfully

**Representative of BHEL**

**Note:** The Format may be suitably modified, as required, based on facts and circumstances of the case.



**FORMAT FOR NOTICE INVOKING CONCILIATION CLAUSE BY A  
STAKEHOLDER FOR REFERRING THE DISPUTES TO CONCILIATION  
THROUGH IEC**

To,

BHEL (Head of the Unit/Division/Region/Business Group)

Subject: **NOTICE FOR INVOCATION OF THE CONCILIATION CLAUSE OF THE  
CONTRACT BY A STAKEHOLDER**

Ref: Contract No/MoU/Agreement/LOI/LOA& date \_\_\_\_\_.

Dear Sir/Madam,

As you are aware, with reference to above referred Contract/MoU/Agreement/LOI/LOA, certain disputes have arisen, which, in spite of several rounds of mutual discussions and various correspondences have remained unresolved. The brief particulars of our claims which have arisen out of the above-referred Contract/MoU/Agreement/LOI/LOA are enumerated hereunder:

Sl. No.	Claim description	Amount involved

As you are aware, there is a provision in the captioned Contract/MoU/Agreement/LOI/ LOA for referring inter-se disputes of the Parties to conciliation.

We wish to refer the above-said disputes to Conciliation as per the said Clause of the captioned Contract/MoU/Agreement/LOI/ LOA. In terms of Clause -----of Procedure i.e., Annexure ----- to the Contract/MoU /Agreement / LOI / LOA, we hereby invite BHEL to provide its consent in writing to proceed with conciliation into the above mentioned disputes within a period of 30 days from the date of this letter along with details of counter-claims, if any, which it might have with regard to the subject Contract/ MoU/ Agreement/ LOI/ LOA and to appoint suitable person(s) as Conciliator(s) from the BHEL Panel of Conciliators.

This letter is being issued without prejudice to our rights and contentions available under the contract and law.

Thanking you  
Yours faithfully

**Representative of the Stakeholder**

**Note:** The Format may be suitably modified, as required, based on facts and circumstances of the case.

**FORMAT FOR INTIMATION TO THE STAKEHOLDER ABOUT APPOINTMENT OF CONCILIATOR/IEC**

To,

M/s. (Stakeholder's name)

Subject: **INTIMATION BY BHEL TO THE STAKEHOLDER AND CONCILIATOR(S) ABOUT APPOINTMENT OF CONCILIATOR/IEC**

Ref: Contract No/MoU/Agreement/LOI/LOA& date \_\_\_\_\_.

Sir,

This is with reference to letter dated ----- regarding reference of the disputes arising in connection with the subject Contract No /MoU/Agreement/LOI/LOA to conciliation and appointment of Conciliator(s).

In pursuance of the said letter, the said disputes are assigned to conciliation and the following persons are nominated as Conciliator(s) for conciliating and assisting the Parties to amicably resolve the disputes in terms of the Arbitration & Conciliation Act, 1996 and the Procedure ---- to the subject Contract ...../MoU/Agreement/LOI/LOA, if possible.

Name and contact details of Conciliator(s)

a) .....

b) .....

c) .....

You are requested to submit the Statement of Claims or Counter-Claims (strike off whichever is inapplicable) before the Conciliator(s) in Format 5 (enclosed herewith) as per the time limit as prescribed by the Conciliator(s).

Yours faithfully,

**Representative of BHEL**

CC: To Conciliator(s)... for Kind Information please.

Encl: As above

**Note:** The Format may be suitably modified, as required, based on facts and circumstances of the case.