

Ref: BHE/PW/PUR/MANUT-CVL Chimney Pkg-A (U-1&2) /1435/Pkg(U-3&4)/1437/Corrigendum-04
Date 12/05/2015

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To

ALL BIDDERS

Sub: CORRIGENDUM -04: Clarification.

PACKAGE A- CONSTRUCTION OF ONE NUMBER OF 275M HIGH REINFORCED CONCRETE TWIN STEEL FLUE CHIMNEY ,INSULATION, AVIATION LIGHTING & ASSOCIATED ELECTRICAL AND EARTHING SYSTEMS ALL COMPLETE FOR CHIMNEY OF UNIT 1 & 2 AT 4X 270 MW BHADRADRI TPS,TELENGANA.

PACKAGE B- CONSTRUCTION OF ONE NUMBER OF 275M HIGH REINFORCED CONCRETE TWIN STEEL FLUE CHIMNEY ,INSULATION, AVIATION LIGHTING & ASSOCIATED ELECTRICAL AND EARTHING SYSTEMS ALL COMPLETE FOR CHIMNEY OF UNIT 3 & 4 AT 4X 270 MW BHADRADRI TPS, TELENGANA.

SI No	Tender Specification Number	Unit Number & Project
1	BHE/PW/PUR/MANUT-CVL Chimney Pkg-A (U-1&2) /1435	Chimney, Package-A (Unit-1&2)
2	BHE/PW/PUR/MANUT-CVL Chimney Pkg-B (U-3&4)/1437	Chimney, Package-B (Unit-3&4)

Bidders to kindly take note of the following:

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AA) Price Variation Clause

Price Variation Clause as in Point No 7, Annexure IV 'Important information' of NIT and Clause 2.17 of Volume IC 'General Conditions of Contract' **STANDS DELETED**

Amended Price Variation Clause applicable for the subject tender shall be as per the Annexure I issued with this Corrigendum

BB) Clarification Regarding GST:

"As and when GST becomes applicable to this contract, the net differential (negative or positive) financial liability of the bidder to the Authorities (as compared to such liability prior to applicability of GST), if any, shall be to the account of BHEL. For this purpose, all available options under the GST shall be explored, and the decision of BHEL in this regard shall be final and binding on the bidder".

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All other Terms and conditions of the Tender Specification shall remain unaltered unless expressly amended by BHEL in writing.

Bidders are requested to submit as a part of Technical Bid, a copy of this corrigendum duly countersigned by the authorized signatory and stamped with the Official seal as a token of Bidder's unqualified acceptance of this corrigendum.

This letter is hosted as file titled "Corrigendum-04: (Clarification T. S. No -1435-1437)" against NIT-22138 in BHEL web page (www.bhel.com→Tender Notifications → View Corrigendum).

Thanking you,

Yours faithfully,

Enclosure:

AGM (Purchase)

Annexure I to Corrigendum 04 dated 12/05/2015
Amended Price Variation Clause

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2.17 PRICE VARIATION COMPENSATION (During Original Contract Period and Extension if any)

2.17.1 In order to take care of variation in Total Minimum Per Day Wages of all categories of workers/labours, Price Variation Formula as described herein shall be applicable

2.17.2 20 % component of Contract Value shall be permitted to be adjusted for variation in Total Minimum Per Day Wage of 'UNSKILLED LABOUR/WORKERS' during execution of work. The remaining 80% shall be treated as fixed component

2.17.3 Payment/recovery due to variation labour index during execution of work shall be determined on the basis of the following notional formula:

$$P = 20 \% \times R \times \frac{(X_N - X_0)}{X_0}$$

Where

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

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

XN = Revised Total Minimum Per Day Wage of 'UNSKILLED LABOUR/WORKERS' for the billing month under consideration

X0 = Total Minimum Per Day Wage of 'UNSKILLED LABOUR/WORKERS' as on the Base date.

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

2.17.5 Total Minimum Per Day Wage of 'UNSKILLED LABOUR/WORKERS' applicable for the billing month and the base month shall be as per the authorized notification/circulars issued by the Principle Employer (BHEL's Customer) regarding prevailing (billing Month or base month) minimum total per day labour wage of UNSKILLED LABOUR/WORKERS applicable in the project

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

2.17.7 The contractor will be required to raise the bills for price variation payments on a monthly basis along with the running bills irrespective of the fact whether any increase/decrease in the Total Minimum Per Day Wage of 'UNSKILLED LABOUR/WORKERS' has taken place or not. In case there is delay in publication/issuance of authorized notification/circulars (final figure), the PVC bill shall be deferred till the issuance of the same

2.17.8 PVC shall be applicable for the entire original contract period plus the extended period. The total amount of PVC shall not exceed 5 % of the cumulatively executed contract value. Executed contract value for this purpose is exclusive of PVC, ORC, Supplementary/Additional Items and Extra works. However the Total Quantum of

Annexure I to Corrigendum 04 dated 12/05/2015 Amended Price Variation Clause

Price Variation amount payable/recoverable during delayed/extended period shall be regulated as follows

- i) For the portion of backlog attributable to the contractor, the PVC will be based on the average of the Total Minimum Per Day Wage of 'UNSKILLED LABOUR/WORKERS' for the period of the original contract period
- ii) For the period of Force Majeure, the PVC will be limited to Total Minimum Per Day Wage of 'UNSKILLED LABOUR/WORKERS' applicable at the beginning of the force majeure period.
- iii) For the portion of backlog attributable to BHEL, the PVC will be as per the Total Minimum Per Day Wage of 'UNSKILLED LABOUR/WORKERS' applicable for the respective months

2.17.9 Additional PVC during Contract Extension Period

- i) In order to take care of variation in cost of execution of work on either side, due to variation in the index of LABOUR, HIGH SPEED DIESEL OIL, WELDING ROD, CEMENT, STEEL, MATERIALS, Additional Price Variation Formula as described herein shall be applicable during contract extension period. **Additional PVC shall be applicable only during the extended period of contract (if any)** after the schedule completion date for the portion of work delayed / backlog for the reasons not attributable to Contractor
- ii) 65 % component of **Executed Value (during extended period)** shall be permitted to be adjusted for variation in various relevant indices during extended contract period. The remaining 35% shall be treated as fixed component.
- iii) The basis for calculation of price variation in each category, their component, Base Index, shall be as under:

<u>SI No</u>	<u>CATEGORY</u>	<u>Base Index</u>	<u>Component K</u>
<u>01</u>	LABOUR (ALL CATEGORIES)	MONTHLY AVERAGE CONSUMER PRICE INDEX NUMBERS FOR INDUSTRIAL WORKERS' for VADODARA CENTRE of GUJARAT State published by Labour Bureau, Ministry of Labour and Employment, Government of India. (Website: labourbureau.nic.in)	<u>20</u>
<u>02</u>	HIGH SPEED DIESEL OIL	Name of Commodity : HSD OIL. Type : INDIVIDUAL COMMODITY (See Note below)	<u>5</u>
<u>03</u>	MATERIALS (Other than Cement & Steel)	Name of Commodity: ALL COMMODITIES Type: GROUP ITEM (See Note below)	<u>40</u>

Note:

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

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Amended Price Variation Clause

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

$$P = K \times R \times \frac{(X_N - X_0)}{X_0}$$

Where

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

K = Percentage component applicable for Labour, High Speed Diesel Oil, Welding Rod, Cement, Steel and Materials

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

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

X₀ = Index no for Labour, High Speed Diesel Oil, Welding Rod, Cement, Steel and Materials as on the Base date

- v) Base date shall be the calendar month of the schedule completion date of the contract. Schedule Completion date shall be the actual start date plus contract period as defined in Chapter VI 'Vol IA TCC'
- vi) Additional PVC shall not be payable for the ORC amount, Supplementary/Additional Items, Extra works
- vii) The contractor shall furnish necessary monthly bulletins for the necessary indices from the relevant websites along with his Bills
- viii) The contractor will be required to raise the bills for additional price variation payments on a monthly basis during extended period along with the running bills irrespective of the fact whether any increase/decrease in the index for relevant categories has taken place or not. In case there is delay in publication of bulletins (final figure), the provisional values as published can be considered for payments and arrears shall be paid/recovered on getting the final values
- ix) Total quantum of Additional Price Variation amount payable/recoverable shall be regulated as follows:
- a) For the portion of backlog attributable to the contractor and for the portion of backlog due to force majeure condition during contract period, Additional PVC shall not be paid.
 - b) For the period of force Majeure during extended contract period, Additional PVC will be as per the indices applicable at the beginning of the force majeure period (during extended period).
 - c) void

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- d) The total amount of additional PVC shall not exceed 20% of the cumulatively executed contract value during the extended contract period. Executed contract value for this purpose is exclusive of PVC, ORC, Supplementary/Additional Items and Extra works.