

SECTION- I

GENERAL INSTRUCTIONS TO TENDERERS

1. This tender specification as a whole, furnishing all the details and other documents as required in the following pages, shall be duly signed and sent in a sealed cover (IN DUPLICATE) super-scribing the name of work as given in the tender notice.
2. The tender shall be addressed to: OFFICER INVITING TENDER AS INDICATED IN THE TENDER NOTICE.
3. Tenders submitted by post shall be sent as "**REGISTERED/ SPEED/ COURIER POST**" and shall be posted with due allowance for any postal delay. The tenders received after the due date and time of opening are liable to be rejected. Offers received by Telegram/telex/ Fax/ E-mail/ Internet may be considered as per terms of NIT.
4. Tenders shall be opened at the time and date as specified in the tender notice in the presence of such of those tenderers or their authorised representatives who may be present.
5. The tenderers shall closely peruse all the clauses, specifications and drawings indicated in the Tender Documents before quoting. Should the tenderer have any doubt about the meaning of any portion of the Tender Specifications or find discrepancies / omission in the Drawings or the tender documents issued are incomplete or shall require clarification on any of the technical aspect, scope of work etc., he shall at once contact the authority inviting the tender for clarification before the submission of the tender.
6. Before tendering, the tenderers are advised to inspect the site of work and the environments and be acquainted with the actual working and other prevalent conditions, facilities available, position of material and labour. No claim will be entertained later on grounds of lack of knowledge.
7. Tenderer must fill up all the schedules and furnish all the required information as per the instructions given in various sections of the tender specification. Each and every page of the Tender Specification must be SIGNED, STAMPED AND SUBMITTED ALONG WITH THE OFFER by the Tenderer in token of complete acceptance thereof. The information furnished shall be complete by itself.
8. The tenderer shall quote the rates in English Language and international numerals. These rates shall be entered in figures as well as in words. In case of difference in rates between words and figures THE LESSER OF THE TWO will be treated as valid rate. For the purpose of tender, the metric system of units shall be used.
9. All entries in the tender shall either be typed or be written in ink. Erasure and over writings are not permitted and may render such tenders liable to summary rejection. All cancellations and insertions shall be duly attested by the tenderer.
10. **QUALIFICATIONS OF TENDERERS:** Tenderers who does not qualify as per NIT are not likely to be considered.
11. **DATA TO BE ENCLOSED:** Full information shall be given by the tenderer in respect of the following. Non submission of these information may lead to rejection of the offer.

11.1 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.

11.5 An attested copy of the **Power of Attorney**, in case the tender is signed by an individual other than the sole Proprietor, shall also be attached.

11.6 **IN CASE OF AN INDIVIDUAL:** His full name, experience, address and nature of business.
OR

IN CASE OF PARTNERSHIP FIRMS: The names of all the partners with addresses and their experience. A copy of the partnership deed/ instrument of Partnership duly certified by a Notary Public shall be enclosed.

OR

IN CASE OF COMPANIES : Date and place of registration including date of commencement certificate in case of public companies and the nature of business carried or by the Company. Certified copies of memorandum and Articles of Association are also to be furnished. Also indicate names, addresses and experience of the Directors.

11.7 NA.

11.8 In additions to the above, the particulars required elsewhere in tender documents.

NOTE : In terms of clauses 11.1 to 11.8 above, all the data required to be enclosed with the tender need to be furnished neatly typed, signed and stamped in the given formats only (in the form of separate sheets) failing which the tender may be considered as incomplete and is liable for rejection. Documentary proofs wherever necessary also need to be enclosed.

12 **EARNEST MONEY DEPOSIT**

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

- i) EMD shall be furnished along with the offer in full as per the amount indicated in the Special Conditions of Contract / NIT
- ii) EMD is to be paid in cash (as permissible under Income Tax Act), Pay order or Demand Draft in favour of 'Bharat Heavy Electricals Limited' and payable at Regional HQ issuing the tender.
- iii) No other form of EMD remittance shall be acceptable to BHEL
- iv) Bidder may opt to deposit "One Time EMD" of Rs. 2.0 lakhs (Rupees Two lakhs only) with BHEL:Power Sector Northern Region HQ issuing the tender, which will enable them to participate in all the future tender enquiries in respect of Erection and Commissioning services issued from the

respective office. Interested bidders may clearly send their consent for converting the present EMD into a "One Time EMD" in their offer.

- Note: The 'One Time EMD' cannot be withdrawn by the tenderers within 3 years from the date of deposit, under any circumstances. The Tenderer who wishes to withdraw after three years will not be allowed to submit 'One Time EMD' again.
- v) Bidders who have already deposited such "One Time EMD" of Rs. 2.00 lakh are exempted from submission of EMD for this tender. However a copy of 'One Time EMD' certificate issued by BHEL PSNR HQ issuing the tender shall be enclosed along with the offer.

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

- i) After opening the tender, the bidder revokes his tender within the validity period or increases his earlier quoted rates.
- ii) The bidder does not commence the work within the period as per LOI/Contract. In case the LOI / contract is silent in this regard then within 15 days after award of contract.

12.3 EMD shall not carry any interest.

12.4 In the case of unsuccessful bidders, the Earnest Money will be refunded to them within a reasonable time after acceptance of award by successful tenderer.

13. AUTHORISATION AND ATTESTATION: Tenders shall be signed by persons duly authorised / empowered to do so. Certified copies of such authority and relevant documents shall be submitted along with the tenders.

14 **VALIDITY OF OFFER:** *THE OFFER SHALL BE KEPT OPEN FOR ACCEPTANCE FOR A MINIMUM PERIOD OF SIX MONTHS FROM THE DATE OF OPENING OF TENDERS.* In case Bharat Heavy Electricals Limited calls for negotiations, such negotiations shall not amount to cancellation or withdrawal of the original offer which shall be binding on the tenderers.

15 **EXECUTION OF CONTRACT:** 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 successful tenderer shall be required to execute an agreement in the prescribed form as per **ANNEXURE-'I'** with the BHEL within a reasonable time after the acceptance of his tender and in any case before submitting the first bill for payment.

16 **SECURITY DEPOSIT**

16.1 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:

SN	Contract Value	Security Deposit Amount
1	Up to Rs. 10 lakhs	10% of Contract Value
2	Above Rs. 10 lakhs upto Rs.50 lakhs	1 lakh + 7.5% of the Contract Value exceeding Rs. 10 lakhs.
3	Above Rs. 50 lakhs	Rs 4 lakhs + 5% of the Contract Value exceeding Rs. 50 lakhs.

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

16.3 Security Deposit may be furnished in any one of the following forms

- i) Cash (as permissible under the Income Tax Act)
- ii) Pay Order / Demand Draft in favour of BHEL.
- iii) Local cheques of scheduled banks, subject to realization.
- iv) Securities available from 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 pledged in favour of BHEL and discharged on the back).
- v) 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
- vi) 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.
- vii) Security deposit can also be recovered at the rate of 10% from the running bills. However in such cases at least 50% of the Security Deposit should be deposited in any form as prescribed before start of the work and the balance 50% may be recovered from the running bills.
- viii) EMD of the successful bidder can be converted and adjusted against the cash portion of Security Deposit excepting for such bidders who have remitted One Time EMD.

NOTE: Acceptance of Security Deposit against Sl. No. (iv) and (vi) above will be subject to hypothecation or endorsement on the documents in favour of BHEL. However, 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.

16.3.1 The Security Deposit shall not carry any interest.

16.3.2 In case the value of work exceeds / reduces from the awarded / accepted value, the Security Deposit shall be correspondingly enhanced / reduced as given below:

- i) The enhanced part of the Security Deposit shall be immediately deposited by the Contractor or adjusted against payments due to the Contractor.
- ii) There will be no reduction in Security Deposit value in case of variation in contract value upto the lower limit specified in Quantity variation clause. In case of reduction of contract value beyond the lower limit specified in Quantity Variation clause, then the Security Deposit shall be re adjusted in proportion.
- iii) In case of reduction, the reduced Contract value shall be certified by BHEL Construction Manager after ascertaining / freezing of BOQ / Drawings from the Design / Engineering Centre. The reduced Security Deposit value can only be considered after taking into account the adequacy of the securities held by BHEL to meet the liabilities of the contractor for the contract, and the performance of the contract in general. **In such cases, the revised value of Security Deposit shall be worked out only after execution of not less than the lower limit of the revised scope of work/contract value as per quantity variation clause, and as certified by Construction Manager. This reduction in value of Security Deposit shall not entitle the contractor to any amendment of Contract and shall be operated at the discretion of BHEL**
- iv) Contract value for the purpose of operating the reduced/increased value of Security Deposit due to Quantity Variation, shall be exclusive of Price Variation Clause, Over Run Compensation and Extra works done on manday rates.

16.3.3 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

16.3.4 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.

16.4 **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.

NOTE: All the BGs are to be submitted as per BHEL/PSNR performa.

17 **No interest** shall be payable by BHEL on Earnest Money Deposit, Security Deposit or on any moneys due to the contractor.

18 **REJECTION OF TENDER AND OTHER CONDITIONS:**

18.1 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.

(c) To award the work in part.

(d) In either of the contingencies stated in (b) and (c) above to modify the time for completion suitably.

18.2 Conditional and un-witnessed tenders, tenders containing absurd or unworkable rates and amounts, tenders which are incomplete or otherwise considered defective and tenders not in accordance with the tender conditions, specifications, etc., are liable to be rejected.

18.3 If a tenderer expires after the submission of his tender or after the acceptance of his tender, BHEL may at its discretion, cancel such tender. If a partner of a firm expires after the submission of the tender or after the acceptance of the tender, BHEL may cancel such tender at its discretion unless the firm retains its character.

18.4 BHEL will not be bound by any Power of Attorney granted by the tenderer or by changes in the composition of the firm made subsequent to the execution of the contract. BHEL may, however, recognize such Power of Attorney and changes after obtaining proper legal advice, the cost of which will be chargeable to the contractor concerned.

- 18.5 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 moneys due.
- 18.6 Canvassing in any form in connection with the tender is strictly prohibited and the tenders submitted by the contractor who resorts to canvassing are liable to be rejected.
- 18.7 Should a tenderer or contractor or in the case of a firm or Company of contractors/ one or more of its Partners/ share holders / Directors have a relation or relations employed in BHEL, the authority inviting tender shall be informed to the fact along with the offer, failing this BHEL may, at its sole discretion reject the tender or cancel the contract and forfeit the Earnest Money/ Security Deposit
- 18.8 The successful tender should not sub-contract the part or complete work detailed in the tender specification without written permission of BHEL. The tenderer is solely responsible to BHEL for the work awarded to him.
- 18.9 **NO DEVIATIONS** to the tender conditions will normally be accepted. However, if the tenderer insists for certain deviations to the conditions, financial implication thereof shall be loaded to the quoted price for evaluating the tenderer's offer.

SECTION - II

GENERAL TERMS AND CONDITIONS

- 19.0 The following terms and expressions shall have the meaning hereby assigned to them except where the context otherwise requires.
- 19.1 **BHEL** (or B.H.E.L Ltd.) shall mean Bharat Heavy Electricals Limited, a Company registered under the Indian Companies Act, 1956, with its Registered Office at BHEL HOUSE, SIRI FORT, NEW DELHI-110049 or its authorised officers or its Engineer or other employees authorised to deal with any matters with which these persons are concerned, on its behalf.
- 19.2 **`GENERAL MANAGER'** shall mean the Officer in Administrative charge of the contracting Unit of BHEL.
- 19.3 **`ENGINEER' or 'ENGINEER-IN-CHARGE'** shall mean Engineer deputed by BHEL. The terms include Deputy General Manager, Construction Manager, Resident Manager, Site Engineer, Resident Engineer and Assistant Site Engineer of BHEL at the site as well as the officers in charge at Head Office.
- 19.4 **`SITE'** shall mean the place or places at which the plants/ equipment are to be erected and services are to be performed as per the specifications of this Tender.
- 19.5 **`CLIENTS OF BHEL' or 'CUSTOMER'** shall mean the project authorities to whom BHEL is supplying the equipment.
- 19.6 **`CONTRACTOR'** shall mean the individual, firm or company who enters into contract with BHEL and shall include their executors, administrators, successors and permitted assigns.
- 19.7 **`CONTRACT' or 'CONTRACT DOCUMENT'** shall mean and include the agreement, the work order, the accepted appendices of rates, Schedules of Quantities, if any, General Conditions of Contract, Special Conditions of Contract, Instructions to Tenderers, the drawings, the technical specifications, the special specifications, if any, the tender documents and the Letter of Intent/ Acceptance letter issued by BHEL. Any conditions or terms stipulated by the tenderer 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 and incorporated in the Agreement.
- 19.8 **`GENERAL CONDITIONS OF CONTRACT'** shall mean the 'Instructions to Tenderers' and 'General Conditions of Contract' pertaining to the work detailed.
- 19.9 **`TENDER SPECIFICATIONS'** shall mean the Special Conditions, Technical Specifications, appendices, Site information and drawings pertaining to the work for which the tenderers are required to submit their offer. Individual Specifications Number will be assigned to each tender specification.
- 19.10 **`TENDER DOCUMENTS'** shall mean the General Conditions of Contract (19.8) and Tender Specifications (19.9).
- 19.11 **`LETTER OF INTENT'** shall mean the intimation by a letter / telegram / telex / fax 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 the terms and conditions of contract are applicable from this date.

- 19.12 **`COMPLETION TIME'** shall mean the period by date specified in the Letter of Intent or date mutually agreed upon for handing over the erected equipment/ plant which are found acceptable by the Engineer being of required standard and conforming to the specifications of the Contract.
- 19.13 **`PLANT'** shall mean and connote the entire assembly of the plant and equipment covered by the Contract.
- 19.14 **`EQUIPMENT'** shall mean all equipment, machineries, materials, structural, electrical and other components of the plant covered by the Contract.
- 19.15 **`TESTS'** shall mean and include such test or tests to be carried out by 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 contracted work or part there of.
- 19.16 **`APPROVED', `DIRECTED' or `INSTRUCTED'** shall mean approved, directed or instructed by BHEL.
- 19.17 **`WORK' or `CONTRACT WORK'** shall mean and include supply of all categories of labour, specified consumables, tools and tackles required for complete and satisfactory site transportation, handling, stacking, storing, erecting, testing and commissioning of the equipment to the entire satisfaction of BHEL.
- 19.18 **`SINGULAR' and `PLURAL'** etc. Words carrying singular number shall also include plural and vice versa where the context so requires. Words importing masculine gender shall be taken to include the feminine gender and words importing persons shall include any Company or Association or Body of Individuals, whether incorporated or not.
- 19.19 **`HEADINGS'** The headings in these General Conditions are solely for the purpose of facilitating reference and shall not be deemed to be part thereof or be taken into consideration in the interpretation or construction thereof or the contract.
- 19.20 **`MONTH'** shall mean calendar month.
- 19.21 **`WRITING'** shall include any manuscript, type written or printed statement under the signature or seal as the case may be.
- 20 **LAW GOVERNING THE CONTRACT AND COURT JURISDICTION:** The Contract shall be governed by the Law for the time being in force in the Republic of India. The Civil Court at Delhi/ New Delhi, having ordinary Original Civil Jurisdiction shall alone have exclusive jurisdiction in regard to all claims in respect of this Contract.
- 21 **ISSUE OF NOTICE** The Contractor shall furnish to the Engineer, the name, designation and address of his authorised agent and all complaints, notices, communications and references shall be deemed to have been duly given to the Contractor, if delivered to the Contractor or his authorised agent or left at or posted to the address either of the contractor or his authorised agent and shall be deemed to have been so given in the case of posting on the day on which they would have reached such address in the ordinary course of post or at which they were so delivered or left.
- 22 **USE OF LAND** No land belonging to BHEL or its customer under temporary possession of BHEL shall be occupied by the Contractor without the written permission of BHEL.

23 COMMENCEMENT AND COMPLETION OF WORK

- 23.1 The contractor shall commence the work within the time indicated in the Letter of Intent and shall proceed with the same with due expedition without delay.
- 23.2 If the successful tenderer fails to commence the work within the stipulated time, BHEL, at its sole discretion, will have the right to cancel the contract. His Earnest Money and/ or Security Deposit 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.
- 23.3 All the works shall be carried out under the direction and to the satisfaction of BHEL.
- 23.4 The transported equipment erected /constructed plant or work performed under the Contract, as the case may be, shall be taken over when it has been completed in all respects and/or satisfactorily put into operation at site.

24 MEASUREMENT OF WORK AND MODE OF PAYMENT

- 24.1 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.
- 24.2 For progress/ running bill payments, the contractor shall present detailed measurement sheets in triplicate duly indicating all relevant details based on technical documents and connected drawings for the work done during the month/ period under different categories in line with terms of payment as per Letter of Intent. The basis of arriving at the quantities/ weights shall be the relevant documents and drawings released by BHEL. These measurement sheets shall be prepared jointly with Engineer and signed by both the parties.
- 24.3 These measurement sheets will be checked by the Engineer and quantities and percentages eligible for payment under different groups shall be decided by him. The abstract of quantities and percentages so arrived at based on the terms of payment shall be entered in the **Measurement Book and signed by both the parties.**
- 24.4 Based on the above quantities, contractor shall prepare the bills in the prescribed proforma and work out the financial value. These will be entered in the Measurement Book and signed by both the parties. Payment shall be made by BHEL after affecting the recoveries due from the contractor.
- 24.5 All recoveries due from the contractor for the month / period shall be effected in full from corresponding running bills unless specific approval from Competent authority is obtained to the contrary.
- 24.6 Measurement shall be restricted to that quantity for which it is required to ascertain the financial liability of BHEL under this contract.
- 24.7 Measurement shall be taken jointly by persons duly authorized by BHEL and the Contractor.
- 24.8 The Contractor shall bear the expenditure involved, if any, in making the measurements and testing of materials to be used/ used in the work. The Contractor shall, without extra cost to BHEL, provide all the assistance with appliances and other things necessary for measurement.

- 24.9 If, at any time due to any reason whatsoever, it becomes necessary to re-measure the work done, in full or in part, the expenses towards such remeasurement shall be borne by the Contractor.
- 24.10 **Passing of bills covered by such measurements does not amount to acceptance by BHEL of the completion of the work measured. Any left out work has to be completed by the Contractor, as directed.**
- 24.11 Final measurement bill shall be prepared in the proforma prescribed for the purpose, based on the certificate issued by the Engineer that the entire work as stipulated in the tender specifications has been completed in all respects to the entire satisfaction of BHEL. The Contractor shall give unqualified 'No Claim' and 'No Demand' certificates. All the tools and tackles loaned to him should be returned in condition satisfactory to BHEL. The abstract of final quantities and financial values shall also be entered in the Measurement Book and signed by both the parties. The final bill shall be paid within a reasonable time after completion of the work. After the payment of final bill, only the guarantee obligation percentage value shall remain unpaid which shall be released in accordance with clause 32.

25 RIGHTS OF BHEL

BHEL reserves to itself the following rights in respect of this contract without entitling the contractor to any compensation.

- 25.1 To get the work done through another agency at the risk and cost of the contractor, in the event of poor progress or the contractor's inability to progress the work for completion as stipulated in the contract, poor quality of work, persistent disregard of instructions of BHEL, assignment, transfer, subletting of the contracted work without written permission of BHEL, non-fulfillment of any contractual obligations etc. and to claim / recover compensation for such losses from the contractor including BHEL's supervision charges and overheads from Security Deposit/ other dues.
- 25.2 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 another agency and/ or by the departmental labour to suit BHEL's commitments to its customer or in case BHEL decides to advance the completion due to other emergent reasons/ BHEL's obligation to its customer.
- 25.3 To terminate the contract after due notice and forfeit the Security Deposit and recover the loss sustained in getting the balance work done through other agencies in addition to liquidated damages in the event of :
- (a) Contractor's continued poor progress.
 - (b) Withdrawal from or abandonment of the work before completion of the work.
 - (c) Corrupt act of the contractor.
 - (d) Insolvency of the contractor.
 - (e) Persistent disregard of the instructions of BHEL.
 - (f) Assignment, transfer, subletting of the contract work without BHEL's written permission.
 - (g) Non-fulfillment of any contractual obligations.

- 25.4 To recover any moneys due from the Contractor from out of any moneys due to the Contractor under this or any other Contract or from the Security Deposit.
- 25.5 To claim compensation for losses sustained including BHEL's supervision charges and overheads in case of termination of contract and to levy liquidated damages for delay in completion of work, at the rate of 1/2% of the contract value per week of delay or part thereof subject to a ceiling **of 10% of the contract value.**
- 25.6 To determine the Contract or to restrict the quantum of work and pay for the portion of work done in case BHEL's contract with its customer is terminated for any reason.
- 25.7 To effect recoveries from any amounts due to the contractor under this or any other contract or in any other form the moneys which BHEL is forced to pay to anybody due to contractor's failure to fulfill any of his obligations.
- 25.8 To restrict or increase the quantity and nature of work to suit site requirements, since the tender specification is based on preliminary documents and quantities furnished therein are indicative and approximate and the rates quoted shall not be subject to revision.
- 25.9 To deploy BHEL's skilled and semiskilled workmen in case of emergency / poor progress/ deficiency in skill on the part of the employees of the contractor and to recover the expenditure on account of the same from the moneys due to the contractor.
- 25.10 While every endeavor will be made by BHEL to this end, BHEL can not guarantee uninterrupted work due to conditions beyond its control. The Contractor will not be entitled to any compensation/ extra payment on this account.
- 25.11 In the event of any dispute of technical nature, the decision of BHEL shall be final and binding on the Contractor.

26 RESPONSIBILITIES OF 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.:

- 26.1 As far as possible, unskilled workers shall be engaged from the local areas in which the work is being executed.
- 26.2 The contractor at all times during the continuance of this contract, shall in all his dealings with the local labour for the time being employed on or in connection with the work, have due regard to all local festivals, religious and other customs.
- 26.3 The Contractor shall comply with all State and Central Laws, Statutory Rules, Regulations, etc., such as The payment of wages Act, The Minimum Wages Act, The workmen's Compensation Act, The Employer's Liability Act, The industrial Disputes Act, The Employees' Provident Fund Act, Employees' State Insurance Scheme, the Contract Labour (Regulations and Abolition Act, 1970) and other Acts, Rules and Regulations for labour as may be enacted by the Government during the tenure of the Contract and having force or jurisdiction at site. The contractor shall give to the local Governing Body, Police and other concerned Authorities all such notice as may be required under law.

- 26.4 The Contractor, in the event of his engaging 20 or more workmen, will obtain independent license under the Contract Labour (Regulations and Abolition Act, 1970) from the concerned authorities based on the certificate (Form-V) issued by the principal employer/ customer.
- 26.5 The contractor shall pay all taxes, fees, license charges, deposits, duties, tolls, royalty, commissions or other charges which may be leviable on account of any of his operations connected with this contract. In case BHEL is forced to make any such payment, BHEL shall recover the same from the contractor either from moneys due to him or otherwise as deemed fit.
- 26.6 While BHEL will pay the **inspection fees of the Boiler/ Electrical** Inspectorate, all other arrangements for the periodical visits of Boiler/ Electrical Inspector to site, inspection certificates etc. will have to be made by the contractor at his cost. The contractor will also meet all expenses in connection with his welder's qualification/ requalification tests etc.
- 26.7 The contractor shall be responsible for the provision of health and sanitary arrangements more particularly described in the Contract Labour (Regulations and Abolition Act, 1970) and safety precautions as may be required for safe and satisfactory execution of the contract.
- 26.8 The contractor shall be responsible for proper accommodation including adequate medical facilities for the personnel employed by him.
- 26.9 The contractor shall be responsible for the proper behavior and observance of all regulations by the staff employed by him.
- 26.10 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 shall be the responsibility of the contractor to make good the losses and compensate them.
- 26.11 All the properties/ equipment/ components of BHEL/ its customer loaned with or without deposit, to the contractor shall remain the properties of BHEL/ its customer. The contractor shall use such properties for the purpose of execution of this contract. All such properties/ equipment/ components shall be taken to be in good condition unless notified to the contrary by the contractor within 48 hours. The contractor shall return them in good condition as and when required by BHEL/ its customer. In case of non-return, loss, damage, repairs etc., the cost thereof, as may be fixed by the Engineer, will be recovered from the contractor.
- 26.12 It shall not be obligatory on the part of BHEL to supply any tools and tackles or materials other than those specifically agreed to be given by BHEL. However, depending upon availability / possibility, BHEL/ its customer's equipment and other materials may be made available to the contractor on payment of hire charges as fixed by them, subject to the conditions laid down by BHEL/ its customer from time to time. Unless paid in advance, such hire and other charges shall be recovered from out of dues to the contractor or security deposit in one installment.
- 26.13 The contractor shall fully indemnify and keep indemnified BHEL/ its customer against all claims of whatever nature arising during the course of execution of this contract.
- 26.14 In case the contractor is required to undertake any work outside the scope of this contract, the amount payable shall be as may be mutually agreed upon.
- 26.15 Any delay in completion of works or non-achievement of periodical targets, due to reasons attributable to the contractor, will have to be compensated by the contractor either by

- increased manpower and resources or by working extra hours or more than one shift at no extra cost to BHEL.
- 26.16 The contractor shall execute the work under the conditions usual to such power plant construction and in conjunction with numerous other operations at site. The contractor and his personnel shall cooperate and coordinate with other agencies at project site and proceed in a manner that shall help in the progress of work at site as a whole.
- 26.17 The contractor will be directly responsible for payment of wages to his workmen. A pay-roll sheet giving details of all payments made to the workmen duly signed by the contractor's representative should be furnished to BHEL, if called for.
- 26.18 In case of any class of work for which there is no specification laid down in the contract, such work shall be carried out in accordance with the instructions and requirements of the Engineer.
- 26.19 No levy, payment or charges made or imposed shall be impeached by reason of any clerical error or by reason of any mistake in the amount levied, demanded or charged.
- 26.20 ***No idle labour charges will be admissible in the event of any stoppage of work resulting in the contractor's workmen being rendered idle due to any reason at any time.***
- 26.21 The contractor shall take all reasonable care to protect the materials and the work till such time the plant / equipment has been taken over by BHEL / its customer.
- 26.22 Contractor shall not stop work or abandon the site for whatsoever reason or dispute, excepting for force majeure conditions. All problems / disputes shall be separately discussed and settled without effecting the progress of work. Stoppage or abandonment of work, other than under force majeure conditions, shall be treated as breach of work of contract and dealt with accordingly.
- 26.23 The contractor shall keep the area of work clean and shall remove the debris etc. while executing day-to-day work. Upon completion of work, the contractor shall remove from the vicinity of work, all scrap, packing materials, rubbish, unused and other materials and deposit them in places specified by the Engineer. The contractor will also demolish all the hutments, sheds, offices, etc. constructed and used by him and shall clean the debris. In the event of his failure to do so, the same will be arranged to be done by the Engineer and the expenses recovered from the contractor.
- 26.24 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.
- 26.25 The contractor shall furnish fortnightly labour deployment report indicating the classification and number of workmen engaged, date wise and category wise. Besides, the contractor shall also furnish progress reports on work at regular intervals as required by the Engineer.
- 27 **RESPONSIBILITIES OF CONTRACTOR IN RESPECT OF SAFETY OF MEN, EQUIPMENT, MATERIAL AND ENVIRONMENT.**

- 27.1 All safety rules and codes applied by BHEL and its customer at site shall be observed by the contractor and his workmen without exception. The contractor shall be responsible for the safety of the equipment / material and work to be performed by him and shall maintain all lights, fencing guards, signs etc. or other protections 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 etc. Suitable number of clerical staff, watch and ward, store keepers to take care of equipment, materials, construction tools and tackles shall be posted at site by the contractor till the completion of the work under this contract. The contractor shall arrange for such safety devices as are necessary for this type of work and carry out the requisite site tests of handling equipment, lifting tools, tackles etc. as per usual standards and practices.
- 27.2 The contractor shall provide to it's work force and ensure the use of the following personal protective equipment as found necessary and as directed by the authorized BHEL officials.
- (a) Safety Helmets conforming to IS-2925
 - (b) Safety Belts conforming to IS-3521
 - (c) Safety shoes conforming to IS-1989
 - (d) Eye & Face Protection devices conforming to IS-8520 and IS-8940
 - (e) Hand & body protection devices conforming to IS-2573, IS-6994, IS-8807 & IS-8519.
- 27.3 All tools, tackles, lifting appliances, material handling equipment, scaffolds, cradles, safety nets, ladders, equipment etc. used by the contractor shall be of safe design and construction. These shall be tested and certificate of fitness obtained before putting them to use and from time to time as instructed by authorized BHEL official who shall have the right to ban the use of any item.
- 27.4 All electrical equipment, connections and wiring for construction power, it's distribution and use shall conform to the requirements of Indian Electricity Act and Rules. Only electricians licensed by the appropriate statutory authority shall be employed by the contractor to carry out all types of electrical works. All electrical appliances including portable electric tools used by contractor shall have safe plugging system to source of power and be appropriately earthed.
- 27.5 The contractor shall not use any hand lamp energised by electric power with supply voltage of more than 24 volts. For work in confined spaces, lighting shall be arranged with power source of not more than 24 volts.
- 27.6 Where it becomes necessary to provide and / or store petroleum products, explosives, chemicals and liquid or gaseous fuel or any other substance that may cause fire or explosion, the contractor shall be responsible for carrying out such provision and/or storage in accordance with the rules and regulations laid down in the relevant Government Acts, such as Petroleum Act, Explosives Act, petroleum and Carbides of Calcium Manual of the Chief Controller of Explosives, Government of India etc. Prior approval of the authorised BHEL official at the site shall also be taken by the contractor in all such matters.
- 27.7 The contractor shall arrange at his cost (wherever not specified) appropriate illumination at all work spots for safe working, when natural daylight may not be adequate for clear visibility.

- 27.8 In case of a fatal or disabling injury / accident to any person at construction sites due to lapses by the contractor, the victim and / or his / her dependents shall be compensated by the contractor as per statutory requirements. However, if considered necessary, BHEL shall have the right to impose appropriate financial penalty on the contractor and recover the same from payments due to the contractor for suitably compensating the victim and / or his / her dependents. Before imposing any such penalty, appropriate enquiry shall be held by BHEL giving opportunity to the contractor to present his case.
- 27.9 In case of any damage to property due to lapses by the contractor, BHEL shall have the right to recover the cost of such damages from the payments due to the contractor after holding an appropriate enquiry.
- 27.10 In case of any delay in the completion of a job due to mishaps attributable to lapses by the contractor, BHEL shall have the right to recover cost of such delay from the payments due to the contractor, after notifying the contractor suitably and giving him opportunity to present his case.
- 27.11 If the contractor fails to improve the standards of safety in its operation to the satisfaction of BHEL after being given reasonable opportunity to do so and / or if the contractor fails to take appropriate safety precautions or to provide necessary safety devices and equipment or to carry out instructions regarding safety issued by the authorized BHEL official, BHEL shall have the right to take the corrective steps at the risk and cost of the contractor after giving a notice of not less than seven days indicating the steps that would be taken by BHEL.
- 27.12 The contractor shall submit report of all accidents, fires, property damage and dangerous occurrences to the authorized BHEL official immediately after such occurrence, but in any case not later than 12 hours of the occurrence. Such reports shall be furnished in the manner prescribed by BHEL. In addition, periodic reports on safety shall also be submitted by contractor to the authorized BHEL official from time to time as prescribed.
- 27.13 During the course of construction, alteration or repairs scrap lumbars with protruding nails, sharp edges etc., and all other debris including combustible scrap shall be kept cleared from working areas, passage ways and stairs in and around site.
- 27.14 Cylinders shall be moved by tilting and rolling them on their bottom edges. They shall not be intentionally dropped, struck or permitted to strike each other violently. When cylinders are transported by powered vehicles, they shall be secured in a vertical position.
- 27.15 The contractor shall be responsible for the safe storage of his radioactive sources.
- 27.16 All the contractor's supervisory personnel and sufficient number of workers shall be trained for fire fighting and shall be assigned specific fire protection duties. Enough number of such trained personnel must be available during the tenure of the contract.
- 27.17 Contractor shall provide enough fire protecting equipment of the types and numbers at his office, stores, erection site, other temporary structures, labour colony area etc. Access to such fire protection equipment shall be easy and kept open at all times. Compliance of the above requirement under fire protection shall in no way relieve the contractor of any of his responsibility and liabilities to fire accident occurring. In the event fire safety measures are not to BHEL's satisfaction, BHEL shall have option to provide the same and recover the cost plus incidentals from contractor's bills and / or impose penalty as deemed fit by the Engineer.
- 27.18 Before commencing the work, the contractor shall appoint /nominate a responsible officer to supervise implementation of all safety measures and liaison with his counterpart of BHEL.

27.19 If safety record of the contractor in execution of the awarded job is to the satisfaction of Safety Department of BHEL, issue of an appropriate certificate to recognize the safety performance of the contractor may be considered by BHEL after completion of the job

28.0 CONSEQUENCES OF CANCELLATION

28.1 Whenever BHEL exercises its authority to terminate the contract / withdraw a portion of work under clause 25, the work may be got completed by any other means at the contractor's risk and cost provided that in the event of the cost of completion (as certified by the Engineer which shall be final and binding on the contractor) being less than the contract value, the advantage shall accrue to BHEL. If the cost of completion exceeds the moneys due to the contractor under the contract, the contractor shall either pay the excess amount demanded by BHEL or the same shall be recovered from the contractor. This will be in addition to the forfeiture of Security Deposit and recovery of liquidated damages as per relevant clauses.

28.2 In case BHEL completes the work under the provisions of this clause, the cost of such completion to be taken into account for determining the excess cost to be charged to the contractor shall consist of cost of materials purchased and / or labour provided by BHEL with an addition of such percentage to cover supervision and establishment charges as may be decided by BHEL.

29.0 INSURANCE

29.1 BHEL / its customer shall arrange for insuring the materials / property of BHEL / its customer covering the risks during transit, storage, erection and commissioning.

29.2 It shall be the sole responsibility of the contractor to insure his workmen against risks of accidents and injury while at work as required by the relevant Rules and to pay compensation, if any, to them as per Workmen's Compensation Act. The contractor shall also insure his staff against accidents. The work will be carried out in a protected area and all the Rules and Regulations of BHEL / its client in the Project Area which are in force from time to time will be followed by the contractor.

29.3 If due to negligence and/or non-observance of safety and other precautions, any accident / injury occurs to any other persons/ public, the contractor shall pay necessary compensation and other expenses, if so decided by the appropriate authority.

29.4 The contractor will take necessary precautions and due care to protect the material, while in his custody from any damage/ loss till the same is taken over by BHEL or customer. For lodging / processing of insurance claim the tractor will submit necessary documents. BHEL will reserve the right to recover the loss from the contractor, in case the damage / loss is due to carelessness / negligence on the part of the contractor. In case of any theft of material under contractor's custody, matter shall be reported to police by the contractor immediately and copy of FIR and subsequently police investigation report shall be submitted to BHEL for taking up with insurance.

29.5 If due to negligence/ carelessness on the part of the contractor, any material/ equipment gets damaged, the contractor shall submit necessary documents for lodging insurance claims as required by BHEL Engineer. BHEL shall however reserves the right to recover deductible franchise and also unsettled portion of insurance claim amount from the contractor.

- 29.6 If due to negligence/ carelessness on the part of the contractor, any surrounding properties also gets damaged, the contractor shall submit necessary documents for lodging insurance claims as required by BHEL Engineer. BHEL shall however reserves the right to recover deductible franchise and to unsettled portion of insurance claim amount from the contractor.
- 29.7 The contractor may note that BHEL T&Ps / IMTEs are not insured. The Contractor will take necessary precautions and due care to protect the same while in his custody from any damage/ loss till the same is handed over back to BHEL. In case the damage / loss is due to carelessness/ negligence on the part of the contractor, the Contractor is liable to get them repair/ replaced immediately and in case of his failure to do so within a reasonable time , BHEL will reserve the right to recover the loss from the contractor.

30.0 STRIKES AND LOCKOUTS

- 30.1 The contractor will be solely responsible for all disputes and other issues connected with his workmen. In the event of contractor's workmen resorting to strike or the contractor resorting to lockout and if the strike or lockout so declared is not settled within a period of one month, BHEL shall have the right to get the erection work executed by employing its own men or through other agencies or both. The cost incurred by BHEL in this regard shall be recovered from the contractor.
- 30.2 For any purpose whatsoever, the employees of the contractor shall not be deemed to be in the employment of BHEL

31.0 FORCE MAJEURE

The following shall amount to force majeure conditions.

- 31.1 Acts of God, Act of any Government, War, Sabotage, Riots, Civil Commotion, Police Action, Revolution, Flood, Fire, Cyclone, Earthquake and Epidemic and other similar causes over which the contractor has no control.
- 31.2 If the contractor suffers delay in the due execution of the contract, due to delays caused by force majeure conditions, as defined above, the agreed time for completion of the work covered by this contract shall be extended by a period of time equal to the period of delay, provided that on the occurrence of any such contingency, the contractor immediately reports to BHEL in writing the causes for the delay but the Contractor shall not be eligible for any compensation on this account.

- 32.0 **ARBITRATION** : All disputes between the parties to the contract arising out of or in relation to the contract, other than those for which the decision of the Engineer or any other person is by the contract expressed to be final and conclusive, shall after written notice by either party to the contract to the other party, be referred to sole arbitration of the General Manager or his nominee. The arbitration shall be conducted in accordance with the provisions of the Arbitration and Reconciliation Act, 1996. The parties to the contract understand and agree that it will be no objection that the General Manager or the person nominated as Arbitrator had earlier in his official capacity to deal directly or indirectly with the matters to which the contract relates or that in the course of his official duties had expressed views on all or any of the matters in dispute or difference. The award of the Arbitrator shall be final and binding on the parties to this contract. In the event of the Arbitrator dying, neglecting or refusing to act or resigning or being unable to act for any reason or his award being set aside by the Court for any reason, it shall be lawful for the General Manager or his successor, as the case may be, either to act himself as the Arbitrator or to appoint another Arbitrator in place of the outgoing Arbitrator in the manner aforesaid. The Arbitrator may, from time to time, with the consent of both the parties to the contract, enlarge the time for making the award. Work under the contract shall be continued during the arbitration proceedings. The venue of the arbitration shall be the place from which the contract is issued or such other place as the Arbitrator at his discretion may determine.

---X---X---

DECLARATION SHEET

I, -----hereby certify that, all the information and data furnished by me with regard to this Tender Specification No.----- are true and complete to the best of my knowledge. I have gone through the specification, conditions and stipulations in detail and agree to comply with the requirements and intent of specification.

I, further certify that I am the duly authorised representative of the under mentioned tenderer and a valid power of attorney to this effect is also enclosed.

Tenderer's Name & Address

Authorised representative's signature with name and address.

AGREEMENT

Agreement No. and Date _____
 Name of the Work _____

 Name of the Contractor with
 full address _____

Value of work awarded _____

Letter of Intent No. and Date _____

Scheduled Commencement Date _____

Scheduled Completion Date _____

THIS AGREEMENT MADE THIS _____ DAY OF _____ 2000 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.

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 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.

- 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)

BANK GUARANTEE FOR SECURITY DEPOSIT

B.G. NO.

Date

This deed of Guarantee made this ----- day of -----two thousand by -----
----- (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 Electrical Limited (A Govt. of India Undertaking) 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 – Northern Region, Noida, Distt. Gautam Budh Nagar, (UP) hereinafter called "The Company" (which expression shall unless repugnant to the context or meaning thereof by deemed to include its successors and assigns)

WHEREAS -----(hereinafter referred to as the Contractor) have entered into a contract arising out of Letter of Intent no.----- dt.----- (hereinafter referred to as "the contract") for the construction of ----- with the company.

AND WHEREAS the contract inter-alia provides that the contractor shall furnish to the company a sum of Rs.----- (Rupees-----) towards security deposit for due and faithful performance of the contract in the form and manner specified therein.

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.

The Guarantor do hereby guarantee to the company the due and faithful performance, observance or discharge of the Contract by the contractor and further unconditionally and irrevocably undertake to pay to the Company without demur and merely on a demand, to the extent of Rs.----- (Rupees-----) against any claim by the company on them for any loss, damage, costs, charges and expenses caused to or suffered by the company by reasons of the contractor making any default in the performance, observance or discharge of the terms, conditions, stipulations or undertakings or any of them as contained in the contract.

The decision of the company whether any default has occurred or has been committed by the contractor in the performance, observance or discharge of any of the terms, conditions, stipulations or undertakings or any one of them as contained in the contract and / or as to the extent of loss, damage, costs, charges and expenses caused to or suffered by the company by reason of the contractor making any default in the performance, observance or discharge of any of the terms, conditions, stipulations or undertakings or any one of them shall be conclusive 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.

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 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.

The Guarantor further agrees that the Guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the contract and its claim satisfied or discharged and till the company certifies that the terms and conditions of the contract have been fully and properly carried out by the contractor and accordingly discharges this Guarantee, subject 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.

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.

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 unrealized.

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.

Any claim or dispute arising under the terms of this documents shall only be enforced or settled in the courts of at New Delhi / Delhi only.

The Guarantor hereby declares that it has power to execute this guarantee and the executant has full powers to do so on behalf of the Guarantor.

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

Signed for and on behalf of the Bank

(Signatory No.-----)

WITNESSES

1. Name & Address
2. Name & Address

Notes :

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