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COMMERCIAL TERMS AND CONDITIONS FOR ELECTRICAL ERECTION AND COMMISSIONING WORKS

COMMERCIAL TERMS & CONDITIONS FOR ELECTRICAL ERECTION AND COMMISSIONING WORKS

Name of the Bidder	:	
BHEL Tender Ref & Date	:	88/13/6040//SV Dated 06/12/2013
Project	:	1 X 250 MW TPP Durgapur Project Fly Ash Handling Plant, Extension Unit – 8
Nature of Work	:	Receipt ,Storage,Stores Management,Erection, Commissioning of AHP Electrical Works & Man Power Supply (Skilled & Unskilled) for FAHS.


I. Commercial Terms and Conditions:

Sl. No.	Clause	BHEL's Requirement	Acceptance / Remarks
1.	Scope of Work	Scope of work includes Receipt, Unloading, Storage, Stores Management, Erection, Commissioning & Man power supply (Skilled & Unskilled) for assisting Commissioning of AHP Electrical works as described in the tender documents.	
2	Price Basis	Prices shall be quoted by the bidder on Unit rate basis for the items described in the BILL OF QUANTITY provided with the tender document. The quantities given in the Bill of Quantity are tentative and are likely to change during execution. Unit rate for the items quoted shall be inclusive of all taxes and duties except Service Tax with cess which shall be paid extra at actuals against Tax Invoice by BHEL. Further the rates quoted shall be Firm during the entire duration of contract period.	
3	Taxes	All taxes except Service Tax for the contract shall be borne by the bidder and shall not be payable extra. No statutory variation is applicable on the same.	

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Sl. No.	Clause	BHEL's Requirement		Acceptance / Remarks
		TDS shall be made for the IT as per the Act. Bidder shall furnish proof of Service Tax registration with the Central Excise department.		
4	Terms of Payment	Payment shall be made to the contractor based on the actual quantity of work executed, measured and entered in the measurement book as per agreed Billing Schedule. Break-up of Payment Terms is as under :		
		Description of Stage	% Break-up	
	Completion of erection		Completion of commissioning	
	(A)	Eighty Five percent (85%) progressive payment of the Erection / Commissioning of the contract price will be paid on pro-rata basis against progressive Erection / Commissioning on certification by the Project Manager or his authorized representative.	70% of 85% on pro-rata basis against completion of Erection certified by Site Engineer.	30% of 85% on pro-rata basis against completion of the Commissioning certified by Site Engineer
(B)	Ten percent (10%) of the contract price will be paid on successful completion of Erection & Commissioning of Electrical works of CHP & AHP in PLC Mode in all respects and associated works upon certification by the Site Engineer.			

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	(C)	<p>Five Percent (5%) of the contract price will be paid on successful completion of Performance Guarantee test of all equipments including all associated works up on certification by the site engineer. In addition, proof of having settled all ESI and EPF payments and other statutory dues to be furnished for release of this payment.</p> <p>In case PG Test is delayed beyond Six Months after completion Erection and Commissioning as certified by the Site-Incharge then this payment shall be released against submission of Bank Guarantee for the equivalent amount initially valid for 12 months with a claim period of 3 months extendable further upto completion of PG Test if required.</p>	
5	Payment Mode Through	All the payment shall be made through Electronic Fund Transfer only (EFT).	

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Sl. No.	Clause	BHEL's Requirement	Acceptance / Remarks
6	Earnest Money Deposit	<p>An amount of Rs.2 lakhs only as EMD shall be deposited in the form of DD (as permissible under Income Tax Act), Pay-order or bank draft (in favor of BHEL) in a separate cover with the offer. In case of cash deposits, the money shall be deposited with finance dept. of BHEL and the cash receipt shall be submitted with the offer. Offer shall be liable for rejection, in case no EMD as above is found in the cover marked 'EMD'. EMD shall not carry any interest</p> <p>The 'EMD' by the tenderer will be forfeited if:</p> <ul style="list-style-type: none"> * After opening the tender, the tenderer revokes his tender within the validity period or increases his earlier quoted rates. * The tenderer does not commence work within a period of 15 days after the award of the contract. 	
7	Security Deposit	<p>7.1 Security deposit shall be collected from the successful tenderer. The rate of security deposit on the contract value will be as follows :</p> <ul style="list-style-type: none"> - upto Rs.10 lakhs: 10% - Above Rs.10 lakhs and upto Rs..50 lakhs: Rs . 1 lakh + 7.5% of the amount exceeding Rs .10 lakhs - Above Rs. 50 lakhs:Rs.4 lakhs + 5% of the amount exceeding Rs. 50 lakhs. <p>The security deposit should be deposited before start of the work by the contractor.</p> <p>7.2 Security deposit may be submitted in any one of the following forms:</p> <ul style="list-style-type: none"> 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. 	

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Sl. No.	Clause	BHEL's Requirement	Acceptance / Remarks
		<p>iv.) Securities available from post office` such as National Savings Certificates, Kissan Vikas Patras etc. (certificates should be in the name of contractor furnishing the security and duly pledged in favour of BHEL and discharged on the back).</p> <p>v.) Bank guarantee in lieu of Security Deposit towards 100% value of Security Deposit shall be submitted in BHEL BG Format</p> <p>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.</p> <p>vii.) Security deposit can also recovered at the rate of 10% from the running account bills. However In such cases at least 50% of the security deposit should be deposited before start of the work and the balance 50% will be recovered from the running account bills.</p> <p>viii.) EMD of the successful tenderer can be converted and adjusted against the security deposit.</p> <p>ix.) The security deposit shall not carry any interest.</p> <p>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.</p> <p>7.3 Security deposit shall be refunded to the contractor after successful completion of Erection and Commissioning and acceptance of the same by BHEL.</p>	

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Sl. No.	Clause	BHEL's Requirement	Acceptance / Remarks
8	Reverse Auction/ Price bid opening	BHEL reserves the right to finalise the tender either through Reverse Auction or opening the physical sealed Price bid submitted by the bidder, which will be decided after technical and commercial evaluation. The decision of BHEL shall be final in this regard and the same shall be informed to all Technically, Commercially qualified and customer approved bidders and all such bidders to give their acceptance of RA. Non acceptance to participate in RA may result in rejection of their bids. Terms and conditions of Reverse Auction shall be as per Annexure- I enclosed.	
10	Contractor Approval	Acceptance of Contractor shall be subject to approval from customer M/s.Durgapur Projects Limited.	
11	Receipt of Material from BHEL / Customer.	The bidder shall receive the material required for Erection purpose from BHEL / Customer's Stores, transport materials to different work places, safe guard the erected items till Erection and Commissioning and handing over of AHP.	
12	Visits to BHEL Bangalore, and TPP Durgapur, FAHP	Visits as required to BHEL Bangalore, Durgapur Project office at Durgapur /Site and any other place for meetings / discussions / clarifications of specification shall be included in their offer.	
13	Project completion period	Project Completion period shall be Six (6) Months from the date of Work Order.	
14	Arbitration	Subject to Bangalore Jurisdiction only based on Indian Arbitration & Reconciliation Act 1996.	
15	Validity of offer .	90 days from the date of Techno-Commercial Bid opening.	
16	Liquidated damages for delays	LD shall be levied on the total contract value as per terms below : In case the Erection & Commissioning of the Electrical works gets delayed due to the reasons attributable to the contractor, then contractor shall pay LD @0.5% of the total	

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		contract price per full week of delay & pro-rated for a part of the week subject to a maximum of 10% of the total contract price.	
17	Departmental charges	Any material or service rendered by BHEL (unless specifically stipulated to be free of cost / cost recoverable basis) to the contractor, the same shall be made available along with 15% departmental charges over and above the cost. BHEL shall not be responsible for any delay due to this reason and delay shall be to contractors account.	
18	Labour license	In the scope of bidder. Bidders shall obtain labour license in their name. Bidder shall have valid license to work in the State of West Bengal if not the same shall be obtained and produced before finalization of contract.	
19	Labour laws	Bidder should follow all the labour laws as applicable at the place of work in West Bengal state including payment of minimum wages fixed by Government of West Bengal.	
20	Insurance	By the bidder for his workers , tools & tackles, workmen compensation insurance. Bidders shall also take third party insurance liability @ Rs.2.00 lakhs per occurrence and maximum of Rs.10.00 Lakhs. The responsibility of settling insurance claim, if any on this account shall be borne by the contractor.	
21	All material handling equipment required for the completion of work.	By the bidder.	

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22	Obtaining statutory authorities clearance for equipments & jobs	By the bidder	
23	Against any theft or loss of materials from the stores or from erected structures – Coordination with local police authorities, lodging the FIR & obtaining the receipt of the same, coordinating with insurance agency etc.	By the bidder.	
24	Office / Residential accommodation, Local transport	Shall be arranged by the contractor. No separate payment shall be made by BHEL for the same.	
25	BHEL's right to split the order.	BHEL reserves the right to split the order (quantity and itemwise) while ordering.	
26	Approval from Statutory Authorities	By contractor. All fees and expenditure towards the same should be borne by contractor.BHEL will not reimburse fees and related expenditure.	

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27.	Proposed organization chart for this project	To be furnished by the contractor with offer.	
28.	Experience of having done similar type of work with supporting documents	To be furnished by the contractor with offer	
29.	Balance sheet for the last three years.	To be furnished by the contractor with offer.	
30.	Tools and Tackles, Calibrated testing instruments, Material Handling Equipment etc.	By the contractor	
31.	Type of contract	Unit rate	


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32	Miscellaneous	i) Bidders to accept our commercial Terms and conditions without any deviations. Offers with deviations are liable for rejection. ii) Finally accepted unit rates shall be valid for the entire duration of the contract including the extended contract period , if any. iii) Monthly progress report, action plan for completion of balance work, material reconciliation statement and constrain if any to complete the work should be prepared and submitted . iv) Advance material requisition to complete the balance work and short supply of material should be informed immediately.	
33.	Risk Purchase	In case of default / late in project completion, purchaser reserves his right to make alternate arrangement to get the works completed through other agencies at the risk and cost of contractor.	
34	Bills Submission	All the bills and other related documents against our order to be submitted to Resident Manager/Engineer at site.	

I. ARBITRATION

All disputes between parties to the contract arising out of or in relation to the contract, other than those for which the decision of engineer or any other person is by the contract expressed to be final & conclusive, shall after written notice by either party to the contract to the other party, be referred to sole arbitrator of the General Manager of BHEL or his nominee. The arbitration shall be conducted in accordance with the provisions of the Indian Arbitration conciliation act 1996 and the rules there under and any statutory modifications thereof. The place of Arbitration will be at Bangalore. The parties to the contract understand and agree that there will be no objection that the General Manager or his person nominated as arbitrator had earlier in his office 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

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in dispute of difference. The award of arbitrator shall be final and binding on the parties to this contract.

In the event of Arbitrator's death, neglecting or refusing to act or resigning or being unable to act for any reason or his award being set aside by the courts 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 in place of the out going Arbitrator in the manner aforesaid.

The Arbitrator may, from time to time, with consent of both the parties to the contract, enlarge the time for making the award.

The work under the contract shall be continued during the arbitration proceedings. The venue of Arbitration shall be such place from which the contract is issued or such other place as the Arbitrator at his discretion may determine.

II. LAWS GOVERNING THE CONTRACT

This contract shall be governed by the Indian Laws for the time being in force. Any claim or disputes arising under the terms of this tender / agreement shall be enforced or filed in the Courts at Bangalore only.

Signature with Date :

Name :

Company Seal / Name :