



भारत हेवी इलेक्ट्रिकल्स लिमिटेड

(भारत सरकार का उपक्रम)

BHARAT HEAVY ELECTRICALS LIMITED

(A Govt. of India Undertaking)

TENDER CHANGE NOTE 02 (TCN – 02) DT:03-10-2008

WITH REFERENCE TO THE NIT, PUBLISHED IN THE WEB SITES FOR DESIGN, ENGINEERING, MANUFACTURING, SUPPLY, ERECTION, TESTING, COMMISSIONING ETC OF 'PASSENGER ELEVATORS' PACKAGE FOR 2X500 MW STG MEJIA PH-II, UNIT-1 & 2, 2X500 MW DURGAPUR TPP AND 2X500 MW KODERMA TPP, FOLLOWING CHANGES MAY PLEASE BE NOTED AND COMPLIED WHILE SUBMITTING THE OFFER FOR THE SUBJECT JOB.

REF: TENDER DOCUMENT NO-PSER:SCT:MDK-M898:08

01. Certain clauses detailed against Security Deposit under vide clause no.7.3 of Vol-IB, page no. 17 of 52 has undergone changes. Due to this, the complete clause no. 7.3 of VOL-IB have been replaced by revised clauses as per Annexure-X enclosed herewith.

02. The clause no. 37.0 of VOL-ID, stands modified as under :

The quoted/accepted contract value shall be subjected to Price Variation. The relevant PVC clause is enclosed herewith as per Annexure-Y. However, rate revision /ORC etc are not admissible.

BIDDERS TO NOTE THAT ALL TCNS WILL FORM PART OF TECHNICAL SPECIFICATION & SPECIAL CONDITION OF CONTRACT OF TENDER DOCUMENT.

ALL OTHER TERMS & CONDITIONS OF THE TENDER SHALL REMAIN UNCHANGED.

SDGM (SCT)

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TCN-02 (ANNEXURE-X)	

7.3	SECURITY DEPOSIT (SD)	
7.3.1	Upon acceptance of tender, the successful tenderer within the time specified in the letter of intent must deposit required amount as security deposit for satisfactory completion of work and shall not commence work under the contract before remitting security deposit except as directed by BHEL.	
7.3.2	The amount of Security Deposit shall be as follows:	
	a) In the case of work up to ten lakhs	10%
	b) In the case of work costing above Rs. 10 lakhs upto Rs. 50 lakhs	Rs. 1[One] lakh plus 7.5% of the amount exceeding Rs 10 lakhs.
	c) Above Rs 50 lakhs	Rs. 4 [Four] lakhs plus 5% of the amount exceeding Rs 50 lakhs.
7.3.3	The Security deposit may be deposited in any of the following form:	
7.3.3.1	The total Security Deposit as indicated in the letter of intent can be paid in cash (as permissible under the Income Tax Act)/Pay Order or Demand Draft (in favour of Bharat Heavy Electricals Limited payable at Kolkata)/local cheques of Scheduled Banks (subject to realization) to BHEL, Power Sector, Eastern Region, Kolkata within the time limit stipulated in the letter of intent.	
7.3.3.2	The Security Deposit as indicated in the letter of intent can be paid in the form of Bank Guarantee from Scheduled Banks / Public Financial institutions as defined in the Companies Act in the prescribed proforma, the validity being upto completion of work as stipulated in the letter of intent. The Bank Guarantee furnished towards Security Deposit should be kept valid by proper renewal till the said work is actually completed.	
7.3.3.3	The security deposit may be submitted through securities from Post Offices such as National Savings Certificates / Kisan Vikas Patras etc. (certificates should be held in the name of the contractor furnishing the security and duly pledged in favour of Bharat Heavy Electricals Limited, Power Sector, Eastern Region, Kolkata and discharged on the back).	
7.3.3.4	The security deposit may be submitted by 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 Bharat Heavy Electricals Limited, Power Sector, Eastern Region, Kolkata, duly discharged on the back.	
7.3.3.5	The security deposit can be recovered by deduction from running bills @ 10% of the value of each running bills till the full Security Deposit is made up. However, in such cases at least 50% of the Security Deposit should be deposited before start of work and the balance may be recovered from RA bills.	
7.3.3.6	Acceptance of security deposit against sl. No. 7.3.3.3 & 7.3.3.4 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 collection of interest or renewal of the documents or in any other matter connected therewith.	
7.3.3.7	If the value of the work done at any time exceeds accepted agreement value, the security deposit shall be correspondingly enhanced and the extra security deposit shall be immediately deposited by the contractor or recovered from payments due to him.	
7.3.3.8	Earnest Money deposit of the successful tenderer can be converted and adjusted against the Security Deposit.	
7.3.3.9	Failure to deposit security money within stipulated time may lead to forfeiture of Earnest Money and cancellation of award of work.	
7.3.3.10	If any parts of security deposit of the contractor is held in the form of approved securities, it shall be kept transferred in the name of Bharat Heavy Electricals Limited, Power Sector, Eastern Region, Kolkata in such a manner the BHEL can realize it fully without reference to the contractor. BHEL shall not be responsible for any depreciation in the value of the security while in BHEL's custody or for any loss of interest thereon.	

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TCN-02 (ANNEXURE-X)	

7.3.3.11	BHEL reserve the right of forfeiture of security deposit in addition to other claims and penalties in the event of the contractor's failure to fulfil any of the contractual obligations (including liquidation or bankruptcy of the contractor, non-payment of money payable by means of arbitration award in favour of BHEL) or in the event of termination of contract as per terms and conditions of contract. BHEL reserve the right to set off these security deposit, against any claims of any other contract with BHEL.
7.3.3.12	In case of small value contracts not exceeding Rs.10 lakhs and all SAS jobs, work can be started before Security Deposit is collected. However, payment can be released only after collection / recovery of initial 50% Security Deposit.
7.3.4	<p>Return of Security Deposit</p> <p>If the contractor duly performs and completes the contract in all respects to the entire satisfaction of BHEL and presents an absolute no Demand Certificate in the prescribed form and returns properties belonging to BHEL taken / borrowed or hired by him for carrying out the said works, half of the amount of Security Deposit will be released to the contractor after deducting all costs of expenses or other amounts that are to be paid to BHEL under this or other contracts entered into with the contractor. It may be noted that in no case the Security Deposit shall be refunded/released prior to passing of final bill. Balance half of the amount of Security Deposit will be released only after the satisfactory completion of Warranty / Guarantee Period as per terms of specification.</p>
7.3.5	No interest shall be payable by BHEL on earnest money / security deposit or any money due to the contractor by BHEL.

ANNEXURE-Y

PRICE VARIATION FORMULA (INVOLVING SUPPLY OF CEMENT & STEEL BY SUPPLIER / CONTRACTOR)

1.0	After the `Base Date`, and/or during the progress of work, the monthly price adjustment amount of the contract price will be computed as per the formula given below. The base date shall be reckoned as latest due date of submission of offer.												
2.0	$CV = CV_1 - CV_0$, where CV = Adjustment to contract price payable to the contractor for each billing. CV_1 = Adjusted amount payable/recoverable to the contractor of contract price for each billing. CV_0 = Value of work done in the billing period.												
3.0	CV_1 will be computed as follows. $CV_1 = CV_0(0.20 + 0.15x \frac{M_1}{M_0} + 0.25x \frac{S_1}{S_0} + 0.10x \frac{C_1}{C_0} + 0.05x \frac{D_1}{D_0} + 0.25x \frac{L_1}{L_0})$, where <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Factor (description)</th> <th style="width: 50%;">Reference Index/ Price.</th> </tr> </thead> <tbody> <tr> <td>M_1/ M_0 (material other than steel & cement).</td> <td>Wholesale Price Index of all commodities as published by RBI as on base date & as on month of work done respectively.</td> </tr> <tr> <td>S_1/ S_0 (steel).</td> <td>Wholesale Price Index of Iron & Steel as published by RBI as on base date & as on month of work done respectively.</td> </tr> <tr> <td>C_1/ C_0 (cement).</td> <td>Wholesale Price Index of cement as published by RBI as on base date & as on month of work done respectively.</td> </tr> <tr> <td>D_1/D_0 (high speed diesel oil).</td> <td>Price of HSD oil at pump of IOCL/ BPCL/ HPCL nearest to the project site as on base date & as on month of work done respectively.</td> </tr> <tr> <td>L_1/ L_0 (Labour).</td> <td>All India Consumer Price Index for Industrial Workers (All India Average) as published by Labour Bureau, Simla, Government of India, as on base date & as on month of work done respectively.</td> </tr> </tbody> </table>	Factor (description)	Reference Index/ Price.	M_1/ M_0 (material other than steel & cement).	Wholesale Price Index of all commodities as published by RBI as on base date & as on month of work done respectively.	S_1/ S_0 (steel).	Wholesale Price Index of Iron & Steel as published by RBI as on base date & as on month of work done respectively.	C_1/ C_0 (cement).	Wholesale Price Index of cement as published by RBI as on base date & as on month of work done respectively.	D_1/D_0 (high speed diesel oil).	Price of HSD oil at pump of IOCL/ BPCL/ HPCL nearest to the project site as on base date & as on month of work done respectively.	L_1/ L_0 (Labour).	All India Consumer Price Index for Industrial Workers (All India Average) as published by Labour Bureau, Simla, Government of India, as on base date & as on month of work done respectively.
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4.0	Total PVC payable /recoverable against the contract shall have an overall ceiling of 12% of the contract price for original contract completion period up to 24 months. No PVC is payable for contracts with completion period lower than & up to 12 months.												
5.0	The quantum of such price variation amount per month shall be restricted to the ceiling percentage for each RA Bill amount. The final adjusted amount of PVC will be paid along with the final bill.												
6.0	The contractor shall produce necessary Government Notifications/ RBI Bulletins of above component for receiving payment from BHEL/ refund to be made to BHEL, as required, in the formula mentioned above.												
7.0	The contractor will be required to raise bills for PVC payment on monthly basis along with RA Bill irrespective of the fact whether, any increase/ decrease in price/ index has taken place or not.												
8.0	PVC shall be admissible up to the original completion period of tender and extension period for which delay is not attributable to the contractor.												