



## Salient Terms and Conditions

### 1.0 Qualifying Requirements

As per BHEL's TERMS AND CONDITIONS FOR CIVIL WORKS TENDER ENQUIRY

### 2.0 Prices

The Contract Price shall be subject to adjustment in accordance with the provisions of Appendix 2 (Price Adjustment) to the Contract Agreement reproduced as below. The Contract Price shall be increased or reduced on account of variation in quantity in accordance with Clause 33 of GCC.

Bidders are required to indicate the source of labour and material indices. The bid submitted with a fixed price quotation will not be rejected, but the price adjustment will be treated as zero. The price adjustment provision will not be taken into consideration in bid evaluation. The Contract Price shall be increased or reduced on account of variation in quantity in accordance with Clause 33 of GCC.

Bidder shall give a breakdown of the prices in the manner in detail called for in the price schedule.(Schedule-3)

### 2.1 PRICE ADJUSTMENT

#### 1. General

- 1.1 Prices for work and materials covered under the scope of this Specification shall be furnished by the bidder in the manner specified in the Bid Form & Price Schedules. The bidder shall quote base prices for installation (including civil works) price component of the equipment/materials. These price components for certain equipment/ materials, as specified, shall be subject to price adjustment to reflect changes in the cost of labour and material components as per the provisions given below:

Installation (including Civil Works) Price Component

The formula for calculation of the monthly price adjustments for Installation (including civil works) price component shall be as under:

- A. Installation price component (including Civil Works but excluding 'Supply & Placement of Reinforcement Steel' and 'Concreting')

$$ER_1 = ER_0 [ 0.20 + b \times (B_1/B_0) + c \times (EC_1/EC_0) \times F_L ] - ER_0$$

Where,



- $ER_1$  = Price adjustment amount for the Installation price component (excluding supply & placement of steel and concreting) for each billing
- $ER_0$  = Price for Installation (excluding supply & placement of steel and concreting and including civil works), done in billing period as established by the Contract.
- $B$  = Indian field Labour index-namely All India Consumer Price Index for industrial workers as published by Labour Bureau, Shimla (Govt. of India).
- $EC$  = Expatriate field Labour index for the foreign bidder. In case of Indian bidder, this shall be same as 'B' above.
- $b$  = Value of Co-efficient of Indian field labour component of the Erection value as indicated by Bidder in his proposal.
- $c$  = Value of Co-efficient of Expatriate field labour component of the Erection value as indicated by Foreign Bidder in his proposal.

These coefficients are estimated percentage of Indian field and Expatriate labour component involved in the Installation such that their summation shall be equal to 0.80. In case of Indian Bidder, 'c' shall be equal to zero.

$F_1, F_2 \text{ \& } F_L$  = Exchange rate correction factor for respective materials and labour.

$$F = Z_0 / Z_1$$

Where Z is the number of units of currency of the country of origin of the index which is equivalent to one unit of the bid currency.

**B. Supply and Placement of Reinforcement Steel:**

$$ER_1 = ER_0 [0.20 + 0.10 \times (A_1/A_0) + 0.05 \times (L_1/L_0) + 0.65 \times (B_1/B_0)] - ER_0$$

Where,

$ER_1$  = Price adjustment amount payable on price components of Supply and Placement of Steel.

$ER_0$  = Value of supply & placement of steel in billing period as established by Contract.

A = Rate for Diesel Oil as published by Indian Oil Corporation which has jurisdiction over the place of work.

L = Indian field Labour index-namely All India Consumer Price Index for industrial workers as published by Labour Bureau, Shimla (Govt. of India).

B = Index numbers of wholesale price in India for iron and steel as published by Reserve Bank of India Bulletin (average of the month).

### C. Concreting

$ER_1$  =  $ER_0 [0.20 + 0.20 \times (A_1/A_0) + 0.10 \times (L_1/L_0) + 0.30 \times (B_1/B_0) + 0.20 \times (C_1/C_0)] - ER_0$

Where,

$ER_1$  = Price adjustment amount payable on price components of concreting.

$ER_0$  = Value of concreting in billing period as established by Contract.

A = Rate for Diesel Oil as published by Indian Oil Corporation which has jurisdiction over the place of work.

L = Indian field Labour index-namely All India Consume Price Index for Industrial workers as published by Labour Bureau, Shimla (Govt. of India).

B = Index numbers of wholesale price in India for Cement as published by Reserve Bank of India Bulletin (average of the month).

C = Index number of wholesale price in India for 'non-metallic mineral products (structural clay products)' as published by Reserve Bank of India Bulletin (average of the month).

- 3.1 i) Subscript 'o' will correspond to thirty (30) days prior to date of opening of Bids. In case of  $Z_0$ , subscript '0' refers to value as on 7 days prior to date of opening of bids.
- ii) Subscript '1' will correspond to the month of billing for indices and average of the month for the exchange rate.

- 3.2 The total price adjustment amount for Installation (including civil works) price component shall not be subject to any ceiling whatsoever.
4. The bidder shall indicate in his bid the actual values of the coefficients a, b, c, d etc to be adopted, keeping in view the range/total values given in paras 2 & 3 above.
5. The above price adjustment provision shall be invoked by either party subject to the following further conditions:
- a) For the purpose of Price Adjustment, the Billing period for various Installation activities will be as per agreed Installation Bar Chart indicating monthly schedule of Installation activities for completion of works. However, when the Employer's specific approval for advancement of installation activities has been obtained in such case the said advanced date shall be treated as the schedule date of installation activities for the purpose of working out the price adjustment payable.

No price increase shall be allowed beyond the original Installation dates unless specifically stated in the Time Extension Letter, if any, issued by the Employer. The Employer will, however, be entitled to any decrease in the Contract Price which may be caused due to lower price adjustment amount in case of Installation beyond the original Installation dates. Therefore, in case of Installation beyond the original Installation dates, the liability of the Employer shall be limited to the lower of the price adjustment amount which may work out either on schedule date or actual date of Installation.

- b) In case of non-publication of applicable indices on a particular date, which happens to be the applicable date for Price Adjustment purposes, the published indices prevailing immediately prior to the particular date shall be applicable.
- c) If the Price Adjustment amount works out to be positive, the same is payable to the Contractor by the Employer and if it works out to be negative, the same is to be recovered by the Employer from the Contractor.
- d) The Contractor shall promptly submit price adjustment invoices for the work done, positively within three (3) months from the date of work done, whether it is positive or negative.

### 3.0 TIME SCHEDULE

3.1. The Civil Works Completion Schedule shall be as follows:

Sl. No.	Activities	Duration in months from the effective date of Contract
<b>Substation Package-S4:</b>		
A	Completion of civil works excluding PCC / stone spreading :	
	(a) 765/400/220 kV Bhiwani Substation (New)	20 (Twenty ) months
	(b) Extn. Of 400kV Bhiwani Substation under NRTSS	12 (Twelve) months

3.2 This master network will be discussed and agreed before Award in line with above, engineering drawing and data submission schedule shall also be discussed and finalised before Award.

3.3 The Employer reserves the right to request minor changes in the work schedule at the time of Award of Contract to the successful Bidder.

3.4 The successful Bidder shall be required to prepare detailed Network(s) and project implementation plans & programmes and finalise the same with the Employer as per the requirement specified in Technical Specifications, which shall form a part of the Contract.

#### 3.5 Liquidated Damages:

If the Contractor fails to comply with the Time for Completion in accordance with Clause 3.1 above, for the whole of the facilities, (or a part for which a separate time for completion is agreed) then the Contractor shall pay to the Employer a sum equivalent to half percent (0.5%) of the Contract Price as liquidated damages for such default and not as a penalty, without prejudice to the Employer's other remedies under the Contract, for each week or part thereof which shall elapse between the relevant Time for Completion and the date stated in Taking Over Certificate of the whole of the Works (or a part for which a separate time for completion is agreed) subject to the limit of five percent (5%) of Contract Price. The Employer may, without prejudice to any other method of recovery, deduct the amount of such damages from any monies due or to become due to the Contractor. The payment or deduction of such damages shall not relieve the Contractor from his obligation to complete the Works, or from any other of his obligations and liabilities under the Contract.



#### **4.0 Terms of Payment :** Terms of Payment for Installation are as under:

##### **4.1 Price Component for Installation (including Civil Works)**

A. Interest Bearing Initial Advance (Optional ^^): An advance of 5% (Five) of the total Installation price component shall be paid as an interest bearing initial advance on submission of (a) detailed invoice, (b) Establishment of Contractor's site offices for preparatory to mobilisation for Installation establishment, (c) Advance Bank Guarantee for equivalent amount and (d) Performance Securities.

**Note: ^^: This payment is an optional payment. The Contractor has the option of taking the interest bearing advance or otherwise.**

**In case, the Contractor opts for this interest bearing advance, the same shall be paid to the Contractor on fulfillment of above conditions and an interest on monthly outstanding amount will be charged at the rate of PLR of SBI. The monthly outstanding amount for the purpose of calculating the interest shall be worked out at the end of each calendar month against the progressive payment for the work done as per 4.1 (B) below.**

**In case, the Contractor opts not to take interest bearing advance as above, it would be mandatory for him to submit the document listed at Sl. No. (d) above within twenty eight (28) days of issuance of NOA.**

##### **B Progressive Payment**

Ninety percent (90%) for each of the items of work (in case Contractor opts not to take interest bearing advance as above) or Eighty percent (85%) for each of the items of work (in case Contractor opts to take the interest bearing advance), shall be paid progressively, monthly on pro-rata basis at unit rates based on quantum of work done and certification by Employer's representative and on successful completion of quality check point involved in Installation.

##### **C. Final Payment**

Balance 10% (ten percent) of the Installation price component shall be paid after successful Completion of the Facilities under execution and issuance of Taking Over Certificate by Power Grid.

#### **5.0 Contract Performance Security / Guarantee Period (*as per POWERGRID Specification*)**

Within 28 days of the notification of contract award, the successful bidder shall furnish the performance security for 10% of the contract price with a validity up to ninety (90) days beyond the Defect Liability Period. The Defect Liability Period shall be twelve (12) months from the date of Taking Over / Completion of Facilities (or any part thereof).

#### **6.0 Governing Law**

The Contract shall be governed by and interpreted in accordance with laws of India.



## **7.0 Arbitration**

As per BHEL's TERMS AND CONDITIONS FOR CIVIL WORKS TENDER ENQUIRY

## **8.0 Patent Indemnity**

Provisions of relevant clause of POWERGRID's specification shall be applicable.

## **9.0 Limitation of Liability**

Provisions of relevant clause of POWERGRID's specification shall be applicable.

## **10.0 Validity**

The offer shall be kept valid for nine calendar months.

## **11.0 BHEL's right to accept any bid and to reject any or all bids**

BHEL reserves the right to accept or reject any bid, and to annul the bid process and reject all bids at any time prior to award of contract, without thereby incurring any liability to the affected Bidder or Bidders or any obligation to inform the affected Bidders or Bidder of the grounds for BHEL's action.

## **12.0 Deviations**

Deviations, if any, from the terms and conditions or Technical Specifications shall be given with the bid. The Bidder shall also provide the additional price, if any, for withdrawal of the deviations

**13.0** All other conditions shall be As per POWERGRID's GCC (Section IV) and SCC (Section V) and Section VI ( please visit [www.powergridindia.com](http://www.powergridindia.com) site at tender ID 1084 for complete tender specification for this package) and BHEL's TERMS AND CONDITIONS FOR CIVIL WORKS TENDER ENQUIRY . In case of any discrepancies in the provisions of various documents the order of precedence shall be:

1. Salient Terms and Conditions
2. POWERGRID's GCC (Section IV) and SCC (Section V) and Section VI
3. BHEL TERMS AND CONDITIONS FOR CIVIL WORKS

## **14.0 Submissions along with Bids**

Documents/ undertakings in support of Qualifying Requirements

Schedule of Prices for Installation Services

Schedule of deviations from the specification along with the additional price, if any, for withdrawal of the deviations.



**15.0 Correspondence-**

Address all correspondences to  
**Additional General Manager (TBCM)**  
**Bharat Heavy Electricals Limited**  
**Transmission Business Group**  
**Industry Sector**  
**Integrated Office Complex**  
**Lodhi Road, New Delhi - 110 003, India**