

Special Terms & Conditions of Contract

1.0 Scope of work:

The Govt. of Afghanistan is constructing the 220 kV D/C Transmission System between Kabul and Phul-e-Khumri including 220/20 kV Sub-station at Doshi and Charikar in Afghanistan. The Govt. of Afghanistan has approached the Govt. of India (GOI) for assistance in implementing the above project. The project shall be funded through a Grant from Ministry of External Affairs (MEA), GOI. Power Grid Corporation of India Limited will assist the Govt. of Afghanistan for establishment of the proposed 220 kV D/C Transmission System. The execution of the work shall be carried out by BHEL on behalf of POWERGRID/ Govt. of Afghanistan for the aforesaid project. The Ownership of the Transmission System shall remain vested with the Govt. of Afghanistan.

The scope of work shall include receipt of equipment/ material at site, unloading, inspection, verification, storage, up-keeping during storage, erection, testing, commissioning and handing over of 220/20kV substation at Charikar and 220/20kV substation at Doshi in Afghanistan as per approved specifications, drawings and Field Quality Plan issued to you by BHEL.

Before proceeding with the work, the contractor shall fully familiarize himself with the site conditions. The bidders are advised to visit the site, collect all necessary inputs and acquaint themselves with the topography, infrastructure etc.

For services to be performed in Afghanistan or en-route countries, the contractor/ sub-contractor shall be either from India or Afghanistan.

2.0 PVC clause:

No price escalation is admissible under this contract, whatsoever the reason may be.

3.0 Taxes & Duties:

In view of Physical Export status & funding from GOI taxes & duties i.e. Excise duties, Customs Duties, sales tax, works contract tax, service tax, octroi if applicable in India or Afghanistan/en-route countries are to be borne by BHEL/PGCIL/GOI. Above taxes are not to be considered in your prices.

BHEL/PGCIL will arrange/assist for necessary documents required for availing zero customs duty on import of raw materials/equipments etc. We understand that certain documents like Mafikhatnama etc will be required for goods entering Afghanistan where the site for above package is located. To avoid delay in dispatch of equipment/materials, requisite forms shall be promptly arranged by BHEL/POWERGRID on receipt of your request.

However, the bidders are required to indicate the taxes & duties (if applicable for this work) as per present rates in Afghanistan, India/ enroute countries separately in their technical bid. It may be noted that the taxes & duties indicated by bidders will not be considered for evaluation of bids and your quoted prices should be exclusive of any taxes, duties etc. as explained above.

Any other taxes which is not mentioned above (i.e. Excise duties, custom duties, sales tax, works contract tax, service tax, octroi) but are becomes applicable on above works during its currency will be reimbursed by BHEL to its contractor on back-to back basis, only if received from PGCIL/GOI. BHEL will pass on the claim of contractor to PGCIL/GOI and only if it is agreed/paid by PGCIL/GOI then benefit of the same will be passed on to the contractor. In case claim of contractor is not agreed/ paid by PGCIL/GOI, claim will not be admissible.

4.0 **Overrun Compensation:**

If the contract is extended beyond the contract period (including grace period) for any reason (including due to extra work/additional quantity) other than those attributable to the contractor or force majeure conditions, the contractor will be compensated by payment of over-run charges at the rate of 0.2 percent (point two percent) of the executed contract value per month after the expiry of grace period. Executed value as on last day of respective month(s) will be taken for purpose of calculation of overrun compensation.

The over run compensation will be payable for the eligible period of time extension on account of reasons attributable to BHEL only. No over run will be payable for the extension on account of reasons attributable to contractor and/or force majeure conditions.

Part of Extension attributable to the contractor, if any, in total contract extension shall be exhausted first i.e. immediately after end of grace period. This shall be followed by Extension on account of force majeure conditions, if any and lastly on account of BHEL.

The compensation will be payable for the extended eligible period in months and days as applicable.

Any compensation paid to the contractor against over run charges during the eligible extended period of the project will be recovered from the contractor or any payment on this account payable to the contractor will be cancelled if further extension is required due to the reasons attributable to the contractor or situation of risk & cost arises due to failure of the contractor to complete the work.

If the delay is attributable to the contractor LD will be imposed as per the provision in the contract.

Total Over Run Compensation shall be limited to 10% of the executed contract value as certified in Final Bill. For this purpose executed contract value excludes PVC, ORC, Supplementary/Additional Items and Extra Works done.

Grace period- The grace period will be defined in the Tender Document based on the calculation as one month for every six month (or part thereof) of the contract period. The prices quoted by the contractor will remain firm till the contract period plus the grace period including extended period if any.

5.0 Project start date and Completion schedule:

Project Zero date for this work shall be date of issue of LOI. The work under scope of this work order must be completed within 20 months from the date of issue of LOI.

6.0 Idle labour charges:

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 any time.

7.0 Constructional Power & Water:

The contractor shall make his own necessary arrangements for construction power at his own cost.

The contractor shall also make his own arrangement for construction water supply at his cost and BHEL shall in no case be responsible for any delay in works because of non-availability of water. The contractor can utilize the borewells for construction works and hand over the same in proper running condition at the time of completion of work.

8.0 Valuation of deviations:

If any extra or additional items, which are not incorporated in the BOQ schedule, have to be executed by the contractor, the rate of such extra or additional work shall be as per the following:

- a) If the contract shall not contain any rates applicable to the extra or additional work then suitable prices shall be derived from the nearest item of price schedule.
- b) If the items are not covered under price schedule & no item in price schedule is found similar, the rates have to be agreed upon mainly on the basis of prevailing market rates plus 10% towards Contractor's overheads and profit for which all documentary evidences as required by BHEL shall have to be produced by the contractor. Decision of BHEL in such cases shall be final and binding on the contractor.
- c) Under no circumstances the contractor shall suspend the work on the plea of non- settlement of rates falling under the clause or claim any compensation on that account.
- d) BHEL reserves the right to carry out such extra/additional items of work through any other contractor or in such a manner as he considered advisable.
- e) The contractor, on receipt of approval of drawing from BHEL, shall inform BHEL (within 15 days) the rate / rates of item/items for carrying out the extra/additional item of work. This shall be supported by analysis of rates including evidence of prevailing market rates.

9.0 **Jurisdiction of contract:**

The laws applicable to the contract shall be the laws in force in India. The Courts of Delhi shall have exclusive jurisdiction in all matters arising under this contract.

10.0 **Regulation of local authorities and statutes:**

- 10.1 The Contractor shall comply with all the rules and regulations of local authorities during the performance of his field activities. He shall also comply with the Minimum wages Act, 1948 and the Payment of wages Act (both of the Government of India) or any other local law applicable in Afghanistan from time to time and the rules made there under in respect of any employee or workman employee or engaged by him or his Sub-Contractor.
- 10.2 All registration and statutory inspection fees, if any, in respect of his work pursuant to this contract shall be to the account of the Contractor. However, any registration, statutory inspection fees lawfully payable under any statutory laws and its amendments from time to time during execution of the work, shall be to the account of contractor. Should any such inspection or registration need to be re-arranged due to the fault of the Contractor or his Sub Contractor, the additional fees to such inspection and/or registration shall be borne by the Contractor.

11.0 **Time – The essence of contract:**

- 11.1 The time and the date of completion of the Contract as stipulated in the Contract by BHEL without or with modifications, if any, and so incorporated in the Letter of Award, shall be deemed to be the essence of the Contract. The Contractor shall so organize his resources and perform his work as to complete it not later than the date agreed to.
- 11.2 The Contractor shall submit a detailed PERT network/bar chart within the time frame agreed consisting of adequate of activities covering various key phases of the work within fifteen (15) days of the date of Notification of Award. This network shall also indicate the interface facilities to be provided by BHEL and the dates by which such facilities are needed. The Contractor shall discuss the network so submitted with BHEL and the agreed network shall form part of the Contract documents. During the performance of the Contract, if in the opinion of the Engineer In-Charge, proper progress is not maintained, suitable changes shall be made in the Contractor's operations to ensure proper progress without any cost implication to BHEL. The interface facilities to be provided by BHEL in accordance with the agreed network shall also be reviewed while reviewing the progress of the Contractor.
- 11.3 Based on the above agreed network/ bar chart fortnightly reports shall be submitted by the Contractor as directed by the Engineer In-Charge.

12.0 **Progress reports and Photographs:**

During execution of the contract, the contractor shall furnish progress report to BHEL in a format as specified by BHEL, indicating the progress achieved during the period, and total progress up to the date of reporting against scheduled and completion dates in respect of activities covered in programmes/schedules referred to above. If called for by BHEL, Contractor shall also furnish to BHEL resource data in a specified format and time schedule. The Contractor shall also furnish any other information that is necessary to ascertain progress, if called for by BHEL.

The Contractor shall furnish three (3) prints each to the Engineer In-Charge of progress photographs of the work done at site. Photographs shall be taken as and when indicated by the Engineer In-Charge or his representative. Photographs shall be adequate in size and number to indicate various stages of work. Each photograph shall contain the date, the name of the contractor and the title of the photograph.

The above photographs shall accompany the progress reports detailing-out the progress achieved on all erection activities as compared to the schedules. The report shall also indicate the reasons for the variance between the scheduled and actual progress and the action proposed for corrective measures, wherever necessary.

13.0 **Man power report:**

- a) The Contractor shall submit to the Engineer In-Charge, on the first day of every month, a man hours schedule for the month, detailing the man hours scheduled for the month, skill-wise and area-wise.
- b) The Contractor shall also submit to the Engineer In-Charge, on the first day of every month, a man-power report of the previous month detailing the number of persons scheduled to have been employed and actually employed, skill-wise and the areas of employment of such labour.
- c) In the execution of the works, no person other than the Contractor or his duly appointed representative, sub- Contractor and workmen, shall be allowed to do work on the Site, except by the special permission, in writing of the Engineer In-Charge or his representative.

14.0 **Employment of labour:**

- 14.1 The Contractor will be expected to employ on the work only his regular skilled employees with experience of his particular work. No female labour shall be employed after darkness. No person below the age of eighteen years shall be employed.
- 14.2 All traveling expenses including provisions of all necessary transport to and from Site, lodging allowances and other payments to the Contractor's employees shall be the sole responsibility of the Contractor.
- 14.3 The hours of work on the Site shall be decided by BHEL and the Contractor shall adhere to it. Working hours will normally be eight (8) hours per day- Saturday to Thursday.
- 14.4 The Contractor's employees shall wear identification badges while on work at Site.
- 14.5 In case BHEL becomes liable to pay wages or dues to Labour or any Government agency under any of the provisions of the Minimum Wages Act, Workmen Compensation Act, Contract Labour Regulation Abolition Act or any other law which may be applicable locally in Afghanistan due to act of omission of the Contractor, BHEL may make payment and shall recover the same from the Contractor's bills with applicable overheads.
- 14.6 The contractor may be required to hire the local labour inline with the local laws/ conditions.

15.0 **Facilities to be provided by BHEL:**

Space

Land for Contractor's Office, Store, Workshop etc.

- i.) The Engineer In-Charge shall at his discretion and for the duration of execution of the contract make available at site, land for construction of Contractor's field office, workshop, stores, magazines for explosive in isolated locations, assembling yard, etc. required for execution of the contract. Any construction of temporary roads, offices, workshop, etc. as per plan approved by the Engineer In-Charge shall be done by the contractor at his cost.

- ii.) On completion of work the Contractor shall hand over the land duly cleaned to the Engineer In-Charge. Until and unless the Contractor has handed over the vacant possession of land allotted to him for the above purpose, the payment of his final bill shall not be made. The Contractor shall be made liable to pay for the use and occupation at the rates to be determined by the Engineer In-Charge if the Contractor over stays in the land after the Contract is completed.

16.0 **Facilities to be provided by the contractor :**

i.) **Tools, tackles and scaffoldings**

The Contractor shall provide all the tools, tackles and scaffoldings required for erection, testing & commissioning of the equipment covered under this. He shall submit a list of all such material to the Engineer In-Charge before commencement of erection at site. These tools and tackles shall not be removed from the Site without the written permission of the Engineer In-Charge.

ii.) **First-aid**

The Contractor shall provide necessary first-aid facilities for all his employees, representatives and workmen working at the site. Enough number of contractor's personnel's shall be trained in administering first-aid.

iii.) **Cleanliness**

The Contractor shall be responsible for keeping the entire area allotted to him clean and free from rubbish, debris etc. during the period of Contract. The Contractor shall employ enough number of special personnel to thoroughly clean his work-area at least once in a day. All such rubbish and scrap material shall be stacked or disposed off in a place to be identified by the Engineer In-Charge. Materials and stores shall be so arranged to permit easy cleaning of the area. In areas where equipment might drip oil and cause damage to the floor surface, a suitable protective cover of a flame resistant, oil proof sheet shall be provided to protect the floor from such damage.

Similarly the labour colony, the offices and the residential areas of the Contractor's employees and workmen shall be kept clean and neat to the entire satisfaction of the Engineer In-Charge. Proper sanitary arrangement shall be provided by the Contractor, in the work-areas, office and residential areas of the Contractor.

iv.) **Insurance:**

Following clauses on Insurance shall be read in conjunction with clause No. B.11.0 & C 15.0 of conditions of contract for erection works.

- a. The contractor at his cost shall arrange, secure and maintain all insurance as may be pertinent to the works and obligatory in terms of law against all peril. The responsibility to maintain adequate insurance coverage at all times during the period of contract shall be of the contractor alone. The contractor shall be responsible for the safety and security of the employee of the contractor & his sub-contractors throughout execution of the works
- b. The contractor's failure in this regards shall not relieve him of any of his contractual responsibilities and obligation and BHEL will not entertain any claim in this regard.
- c. The perils required to be covered under the insurance shall include all risks, but not limited to fire and allied risk, miscellaneous accidents, workmen compensation risk, risk associated with land mines, loss or damages, civil commotions, weather conditions, accident of all kinds etc.
- d. All costs on account of insurance liabilities covered under the contract will be on contractor's account and will be included in contract price.

17.0 **Contractor's area limits:**

The Engineer In-Charge will mark-out the boundary limits of access roads, parking spaces, storage and construction areas for the Contractor and the Contractor shall not trespass the areas not so marked out for him. The Contractor shall be responsible to ensure none of his personnel move out of the areas marked out for his operations. In case of such a need for the Contractor's personnel to work out of the areas marked out for him, the same shall be done only with the written permission of the Engineer In-Charge.

18.0 **DELAY AND EXTENSION OF TIME:**

If, in the opinion of the Engineer, the work is delayed

- i) by reason of abnormally bad weather, or
- ii) by reason of serious loss or damage by fire, or
- iii) by reason of civil commotion, local combination of workmen, strike or lockout, affecting any of the trades employed on the work, or
- iv) by delay on the part of the agency or tradesman engaged by the BHEL in executing work not forming part of the contract, or

- v) by reason of any other cause which in the absolute discretion of the Engineer is beyond the contractor's control, then in any such case, the Engineer (or higher authority) may make fair and reasonable extension in the completion dates of the individual items of work of the contract as whole. Such extension which will be communicated to the contractor by the Engineer in writing shall be final and binding on the contractor. No other claim in this respect for compensation, idle labour or otherwise howsoever is admissible unless specified elsewhere in contract. Upon the happening of any such event causing delay the contractor shall immediately give notice thereof in writing to the Engineer but shall nevertheless use constantly his best endeavour to prevent or make good the delay and shall do all that may reasonably be required to the satisfaction of the Engineer to proceed with the work.

19.0 **CONDITIONS FOR ACCEPTANCE OF BANK GUARANTEES**

Following clauses on Bank Guarantee shall be read in conjunction with clause No. A. 17.0 of conditions of contract for erection works.

Contractors are advised to obtain Bank Guarantee preferably from any of the following BHEL consortium banks

Sl. No.	Nationalised Bank		Nationalised Bank
1	Allahabad bank	19	Vijaya Bank
2	Andhra bank		Public Sector Banks
3	Bank of Baroda	20	IDBI
4	Canara Bank		Foreign bank
5	Corporation bank	21	CITI Bank N.A
6	Central bank of India	22	Deutsche Bank AG
7	Indian Bank	23	The Hongkong and Shanghai Banking Corporation Limited
8	Indian Overseas Bank	24	Standard Chartered Bank
9	Oriental bank of Commerce	25	The Royal Bank of Scotland N.V.
10	Punjab National Bank	26	J P Morgan
11	Punjab & Sindh Bank		Private bank
12	State Bank of India	27	Axis Bank
13	State Bank of Hyderabad	28	The Federal Bank Limited
14	Syndicate Bank	29	HDFC
15	State Bank of Travancore	30	Kotak Mahindra Bank
16	UCO Bank	31	ICICI
17	Union Bank of India	32	Indusind Bank
18	United Bank of India	33	Yes Bank

Conditions for acceptance of Bank Guarantees from Banks outside BHEL's consortium shall be as below:

The Bank Guarantees of all Public sector banks can be accepted (in addition to consortium banks)

The Bank Guarantees of Co-operative banks shall not be accepted.

Bank Guarantees of other than consortium bank and public sector bank can be accepted subject to an overall exposure limit (at New Delhi) of Rs. 10 crores for banks with networth of more than Rs. 500 crores as on last balance sheet date and Rs 5 crores for banks with net worth between Rs. 350 to Rs 500 crores (A certificate and copy of latest Balance Sheet to be given by the Bank at the time of submission of Bank Guarantees).

In case of private sector banks a clause to be incorporated in the text of Bank Guarantee that it can be enforceable by being presented at any branch of the bank.

In case of foreign vendors the bank guarantees issued by foreign banks may be confirmed by our consortium bank in India.

In case of Bank Guarantees given by Non-Consortium banks (Private sector or Public sector), the Bank Guarantees are to be enforceable in New Delhi or the town/ city in which the sector/ project is located.

Note:

Above are the special terms and conditions of the contract. However, all other terms and conditions mentioned in our Tender Specification are applicable.

Please note that wherever there is a contradiction between the 'Special terms & conditions of contract' and 'Conditions of contract for erection works', the 'Special terms & conditions of contract' clauses shall be governing and binding on the contractor.