



ISG BANGALORE

PROJECT:

2x800MW YERAMARUS THERMAL POWER STATION.

RAICHUR, KARNATAKA.

**NAME OF WORK:**CIVIL & STRUCTURAL WORKS
FOR STACKER RECLAIMER
FOUNDATION OF CHPCOMMERCIAL TERMS
AND CONDITIONS

Volume-1 Section-2

**COMMERCIAL TERMS AND CONDITIONS FOR
CIVIL & STRUCTURAL WORKS FOR STACKER RECLAIMER FOUNDATION OF
CHP PACKAGE FOR 2X800MW YERAMARUS TPS PROJECT****Enquiry Ref** : 88/13/6049/KSP**Project** : CHP Package of 2X800MW Yeramarus TPS Project RPCL,
Raichur**Scope of Work** : Civil & Structural Works for Stacker Re-claimer Foundation
of CHP for 2X800MW Yeramarus TPS**COMMERCIAL TERMS & CONDITIONS**

SL No.	Clause	BHEL Requirement	Bidder's Acceptance / Remarks
1.0	Price basis	<p>Prices quoted shall be Firm during the contract completion period on "Item Rate Basis" for Civil & Structural works for Stacker Re-claimer Foundation of CHP for 2X800 MW YeramarusTPS.</p> <p>Quoted Prices should be inclusive of all Taxes and Duties (except Service Tax), Works Contract Tax under Karnataka VAT Act, Charges towards royalties, Octroi, any State or Central levy and other Taxes on the Materials used for the execution of the contract.</p> <p>Unit rates shall be quoted by the bidder 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 to any extent depending upon the detailed engineering during execution of the contract.</p> <p>WCT to be included in quoted price. Service Tax @4.80% with Education Cess@3.00% on composition basis shall be payable extra as detailed in point No.2 below. TDS shall be issued against IT deducted from the bills as per the rules.</p>	



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2.0	Taxes	<p><u>Service Tax:</u></p> <p>Service Tax @4.80% with Edu. Cess@3.00% on composition basis shall be paid extra on pro-rata basis against Tax invoice.</p> <p>The contractor shall include the cost of BHEL Free Issue materials such as Structural Steel, Reinforcement Steel etc. while computing Service Tax.</p> <p><u>WCT under VAT act:</u></p> <p>The bidder has to make his own arrangements at his cost for completing the formalities with Karnataka State VAT Act authorities for bringing their materials, plants and machineries at site for the execution of the works under this contract. Road permits / way bills if required shall be arranged by the bidder. BHEL-ISG will not issue any road permit / way bill for this purpose. The bidder must be a Registered Contractor with Karnataka State under VAT Act. A copy of said registration certificate along with TIN no. etc. must be submitted to BHEL Engineer In-charge.</p> <p>Works Contract Tax applicable under Karnataka VAT Act for the execution of the contract shall be borne by the bidder and the same shall be included in the quoted price. Bidder shall indicate WCT percentage considered in their offer. During execution of the contract if there is any variation in the WCT rate (+/-) either way effected by Karnataka VAT authorities, same shall be reimbursed / recovered at actuals.</p> <p>TDS on VAT on Works Contracts, as per state VAT act, shall be deducted from sub contractors bills and remitted to VAT authorities for which TDS certificates would be issued by BHEL / ISG.</p> <p>Further, any other taxes & duties, levies including new taxes & duties if imposed by statutory</p>	



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		authorities during the contract execution period (including time extensions) and if the same is not attributable to the contractor , then the same shall be reimbursed by BHEL/ISG on production of relevant supporting documents submitted along with RAB.	
3.0	Terms of Payment	<p>1. 95% of the executed bill value including corresponding Service tax with education cess, against progress of work based on the rate accepted and certification by BHEL Engineer In-charge.</p> <p>Bidder to submit documentary proof of having remitted the tax along with their invoice which will be part of Running Account Bill. Payment of running bills will be done within 30 days of submission of RAB duly certified by BHEL Engineer In-charge/Resident Manager.</p> <p>2. Balance 5% of the certified bill value against completion of all activities as per the scope specified in the contract and submission of final RAB along with the following documents: a)Proof of wages paid in full b)No claim certificate c)ESI & EPF paid in full duly certified by BHEL Engineer In-charge d) Any other document as required by BHEL Engineer In-charge</p>	
4.0	Mode of Payment	Payment shall be released by EFT (Electronic Fund Transfer) from Bangalore office only.	
5.0	Liquidated Damages for delay in completion of works	0.5% of the contract price for delayed portion of works per week of delay subject to a maximum of 10% of the total contract price.	



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SL No.	Clause	BHEL Requirement	Bidder's Acceptance / Remarks
6.0	Earnest Money Deposit (EMD)	<p>An amount of Rs 2,00,000/- only as Earnest Money Deposit (EMD) shall be submitted in the form of demand draft only in favour of BHEL-ISG Bangalore in a separate cover 'super-scribing' as 'EMD' along with the offer.</p> <p><u>In case EMD is not enclosed, the offer will be rejected.</u></p> <p>EMD by the bidder will be forfeited if :</p> <ul style="list-style-type: none"> - After opening of the tender the bidder revokes his tender within the validity period or increases his earlier quoted rates. - The bidder does not commence the work within the period as per the LOA / Contract. - EMD given by all unsuccessful bidders shall be refunded normally within 15 days of award of Work to the successful bidder. <p>EMD shall not carry any interest.</p>	
7.0	Security Deposit	<p>Security deposit shall be furnished by the contractor before commencement of the work, in any of the following forms :</p> <ol style="list-style-type: none"> 1) Cash (As permissible under the income tax act) 2) Pay Order, Demand Draft in favour of BHEL. 3) Local cheques of Scheduled Banks, subject to realization. 4) Securities available 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 BHEL and discharged on the back) 5) Bank Guarantee in the prescribed BHEL format from Scheduled Banks/Public Financial Institutions as defined in the Companies Act. 6) Fixed Deposit Receipt issued by Scheduled Banks / Public Finance 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. 7) EMD of successful bidder shall be converted 	



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		<p>and adjusted against the Security Deposit.</p> <p>8) The Security Deposit shall not carry any interest.</p> <p>NOTE: In case of Security Deposit against Sl. Nos. 4 & 6 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>Security Deposit submitted by the contractor shall be valid till Defect Liability Period.</p> <p>THE PERCENTAGE OF SECURITY DEPOSIT ON THE CONTRACT VALUE SHALL BE AS FOLLOWS :</p> <p>(a) Up to Rs 10.00 lakhs - 10%</p> <p>(b) Above Rs 10.00 lakhs upto Rs 50.00 lakhs: Rs 1.00 lakh + 7.5% of the amount exceeding Rs 10.00 lakhs.</p> <p>(c) Above Rs 50.00 lakhs : Rs 4.00 lakhs + 5% of the amount exceeding Rs 50.00 lakhs.</p>	
8.0	Contract completion period.	12 months from the date of handing over of land.	
9.0	Defect Liability Period	Defect Liability Period shall be 12 months from the date of completion of all activities as per the scope of contract and certified by Engineer In-charge. In case any defective works noticed within the Defect Liability Period the same shall be made good by the contractor at his own cost. In case the contractor fails to make good the defective work, BHEL shall carry out the same at the Risk & Cost of the contractor by encashing the Security Deposit.	
10.0	Insurance	By the bidder for his workers, tools & tackles, workmen compensation insurance. Bidders shall also take third party insurance liability @ Rs. 2 Lakhs per occurrence and maximum of Rs.10	



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		Lakhs.	
11.0	Validity of offer	90 Days from the date of the opening of the Techno-commercial bid.	
12.0	Risk and Cost	As per the Risk & Cost policy, if bidder fails to render the services, tools and tackles or failed to carry out the job on time specified under their scope, BHEL will get the job done at the risk & cost of the bidder. The actual cost incurred for such jobs along with the departmental charges @ 15% will be recovered from the contractor's bills.	
13.0	Arbitration	Subject to Bangalore jurisdiction only based on Indian Arbitration Act 1996.	
14.0	Receipt, Unloading, Storage works etc. at site.	Receipt, Unloading, Storage and Transportation inside the plant of all civil and structural materials including Free supply items by BHEL/Customer at site, Security of the same round the clock and handing over of materials at site shall be in the scope of contractor.	
15.0	All consumables required for completion of Works	By the Bidder	
16.0	Obtaining statutory authorities, clearance required for the completion of work.	By the Bidder	
17.0	All material handling equipments like crane, fork-lifter, tripods etc.	By the Bidder	
18.0	Labour Licence	By the bidder. Bidder should have valid licence to work in Karnataka State, if not the same	



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		should be produced within one month of award of contract.	
19.0	Labour Laws	Bidder should follow all the labour laws as applicable at the place of work in Karnataka State including payment of minimum wages fixed by Government of Karnataka.	
20.0	Income Tax Deductions	As per the prevailing rules. BHEL will provide TDS certificate.	
21.0	Departmental charges	Any material or service issued / rendered by BHEL to the bidder (unless specifically stipulated to be free of cost / cost recoverable basis) during the execution of project on bidder's demand, 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.	
22.0	Any levy, Taxes, as applicable for completion of project	By the Bidder	
23.0	List of tools, tackles, including the erection, alignment, like dumpy level, theodolite etc.	To be furnished by the bidder along with the Techno- commercial Bid.	
24.0	Proposed organization chart for the above referred package including Engineers, supervisors, skilled & unskilled work	To be furnished by the bidder along with the Techno- commercial Bid	



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	force planned for the execution of the job		
25.0	Integrity pact	Bidders shall submit the Integrity Pact in the format enclosed duly filled, signed & stamped along with Techno-Commercial offer.	
26.0	Past performance	BHEL reserves the right to reject the offer, in case the bidders past performance in any of the BHEL's previous contract' is not found satisfactory.	
27.0	Reverse Auction / Price Bid opening	BHEL reserves the right to finalize the tender either through Reverse Auction or opening the 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 and Commercially qualified bidders. Offer will be rejected in case of Non acceptance of this clause by the bidders.	
28.0	Quantity variation	The quoted rate of each item shall be valid for item wise variation in quantity which may vary to any extent and also for the total variation in value of work up to plus or minus 30% of the total contract value. In case the actual value of executed work on completion of contract becomes less than 70% of the contract value, then actual value of executed work shall be raised by 7% of the executed value, subject to the condition that the total value of work executed plus increase by 7% as above shall be limited to 70% of the contract value.	
29.0	Banned Contractors	The offers of the bidders who are on the banned list as also the offer of the bidders , who engage the services of the banned firms, shall be rejected. The list of the banned firms is available on BHEL web site www.bhel.com.	



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30.0	Banning of Business Dealings	Banning of business dealings with the contractors shall be resorted to for serious lapses in performance/misdemeanor such as abandoning the work without completing/resorting to unfair means (including false certification) not accepting the contract when awarded etc.	
31.0	Customer approval	The offers of technically and commercially qualified and customer approved bidders shall only be considered for Reverse Auction / Price Bid Opening.	
32.0	Evaluation criteria	L1 status of the bidder shall be derived considering Basic Price plus Service Tax @4.80% with Edu. Cess@3.00% on composition basis.	
33.0	Over Run Compensation (ORC)	<p>a)Over Run Compensation (ORC) is payable for works done during the extension period, by way of rate revisions for periods beyond original contract period subject to the following terms and conditions:</p> <p>b)Rates shall be increased by 10% for the first twelve months of one or more extensions beyond original contract period. For the next twelve months of further extensions if any, rates shall be increased as above by 10% over the previous twelve months, and similarly for each subsequent twelve months extension.</p> <p>c)The amount of increase payable per month due to rate revisions is subject to a minimum of Rs. 1,00,000/- per month and a maximum of Rs. 10,00,000/- per month.</p> <p>d)Should there be any 'Time extension' for reasons attributable only to the contractor, then the work shall be executed by the contractor at the rates applicable for the period the work was planned.</p>	



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		<p>e)Payment of ORC shall be regulated as follows:</p> <p>i)Contractor is entitled to Over Run Compensation (ORC) only for the portion of backlog attributable to BHEL.</p> <p>ii)50% of the compensation as per clause (c) above is allocated for deployment of resources agreed as per the joint programme drawn for the balance amount of work to be completed during the period of time extension, along with matching resources(with weightages) to be deployed by the contractor as per specified format. Payment shall however be based on the actual deployment of resources for the month as certified by BHEL, as per weightages assigned therein.</p> <p>iii)50% of the compensation as per clause (c) above is allocated for achieving of planned progress agreed as per the joint programme drawn for the balance amount of work to be completed during the period of time extension, along with matching resources(with weightages) to be deployed by the contractor as per specified format. Payment shall be on prorata basis for actual achieved quantities.</p> <p>iv)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 on Man-day rate basis</p> <p>v)Contractor shall not be entitled for any Over Run Compensation (ORC) for the portion of backlog attributable to the contractor. Such works shall be executed at the rates applicable for the</p>	



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		period the work was planned.	
34.0	All other Terms & Conditions	As per BHEL Tender enquiry.	

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

In the event of Arbitrator dieing, 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 outgoing 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.



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Notes:

1. Bidders to give their confirmation/acceptance for BHEL Commercial terms & Conditions (CTC) in this format only without any deviations to consider their offer. Deviations in CTC will not be accepted by BHEL. Bids with deviations are liable for rejection and decision of BHEL will be final in this regard.
2. All the columns of the above format should be filled and no column should be left blank.
3. Earnest Money Deposit (EMD) shall be submitted in the form of demand draft only, in favour of BHEL-ISG in a separate cover super-scribing as 'EMD' and sent along with the Techno - commercial bid (Part-1).
4. No prices to be filled in the CTC format. All prices are to be filled up only in the Price bid format (Part-2).
5. Un-priced price bid in BHEL Price bid format shall be submitted along with Techno - commercial bid only (Part-1) by filling "quoted" against all price columns.

Signature with Date :

Name :

Company Name / Seal :