KIOCL LIMITED
(A Government of India Enterprise)
Regt. & Corporate Office: II Block, Koramangala, Bangalore – 560 034

BID DOCUMENTS

FOR

SETTING UP OF A 1.5 mtpa CAPACITY PELLET PLANT
ON TOTAL TURNKEY BASIS
(Bid Reference No. KIOCL/TS/BOKARO/PP/BOO/TURNKEY/99)

AT BOKARO STEEL PLANT PREMISES OF M/S SAIL, BOKARO, JHARKHAND, INDIA

FEBRUARY 2015
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OPEN TENDER NOTICE

No. KIOCL/TS/BOKARO/PP/BOO/TURNKEY/99  Dated: 03/02/2015

KIOCL Limited invites sealed Bids on Turnkey Basis from experienced, reputed and competent contractors /firms as per the following details:

a) Scope of Work: Design, Engineering, supply/Procurement services, fabrication, manufacture, including refractories, transportation, insurance, inspection, testing, painting, marking, handling and storage of equipment & facilities (including indigenous & imported items, if any), essential spares, insurance, erection works, dismantling, levelling and modification/rerouting work of existing over ground and underground facilities as required, Assembly, erection, supervision, monitoring, testing, pre-commissioning, start-up and commissioning of all plant, equipment and facilities including the required auxiliary units, complete civil and structural work, electrical, instrumentation & controls and Demonstration and establishment of integrated performance guarantee of the 1.5 mtpa capacity Pellet Plant and its connected auxiliaries on total turnkey basis at Bokaro Steel Plant premises of SAIL Limited, at Bokaro, Jharkhand State in India.

b) Completion Time: Twentyfour 24 months (including monsoon) from the effective date of contract.

c) EMD amount: ₹ 5,00,00,000 /-(Rupees five crore only)

Non-transferable Bid documents can be purchased on payment of ₹25,000/- (Rupees twentyfive thousand only) by Demand Draft drawn in favour of “KIOCL Limited” and payable at Bangalore between 03/02/2015 to 16/02/2015 upto 1.00 PM during office hours at the following address:

KIOCL Limited, II Block, Koramangala, Bangalore – 560 034

Alternatively, the Bid document may be downloaded from the website http://www.kioclltd.in

and in such case the Bidder has to submit the cost of Bid document as detailed in the tender document.

Pre Bid meeting: At: KIOCL Limited, II Block, Koramangala, Bangalore – 560 034 on 09/02/2015 at 10:30 Hrs.

Last date & time of Bid submission: On or before 3.00 P.M. (IST) on 16/02/ 2015

For KIOCL Limited,

General Manager (Projects, Business Planning & Development)
1. **KIOCL Limited**, a Government of India Enterprise, (formerly known as Kudremukh Iron Ore Company Limited), is the country’s prestigious export-oriented unit & a Mini Ratna Company. KIOCL Limited produces high grade iron-ore concentrate & iron oxide pellets. KIOCL’s products are exported to various countries in the international market, besides catering to a number of consumers in the domestic market. KIOCL also operates a Blast Furnace plant for production of pig iron at Mangalore.

2. **BACKGROUND:**

   (i) **STEEL AUTHORITY OF INDIA LIMITED (SAIL)**, a Central Public Sector Enterprise, operating under the administrative control of Ministry of Steel, Government of India, is in the process of increasing its hot metal production capacity at Bokaro Steel Plant and would therefore, require higher quantities of all raw materials to maintain its operations, and;

   (ii) SAIL is thus desirous to source 1.5 million tons per annum of iron oxide Pellet from a third party plant proposed to be set up on Build – Own – Operate (BOO) – basis at their Bokaro Steel Plant premises.

   SAIL, is also planning to set up a matching capacity Beneficiation plant (which is not considered in this invitation to tender) at their Bolani or any other suitable mine site so as to prepare suitable grade filtered iron-ore cake as pellet feed for the above said Pellet Plant at Bokaro. The filtered cake shall thereafter be blended with blue dust for the ease of transportation to Bokaro by rail. In the event of any delay in setting up the Beneficiation Plant by SAIL at their minehead, SAIL shall alternatively supply IOF as an interim arrangement. The Pellet plant hence should also be equipped to handle IOF as the raw material.

   (iii) The main objective, of SAIL, for setting up the Pellet Plant, on BOO basis, is not to make Capital and other investment but at the same time to utilise the available iron ore fines at their Bolani/ other mines and get them converted into pellets, as a part of raw material required for their blast furnaces at Bokaro.

   (iv) SAIL has invited **KIOCL** to submit a bid for setting up a 1.5 mtpa Pellet Plant on BOO basis. KIOCL, having relevant expertise and resources, has plans to submit an offer to M/S SAIL for setting up a state of the art pellet plant so as to meet their requirement.

3. With the above background, KIOCL Ltd invites bids from reputed EPC contractors for setting up of the 1.5 mtpa capacity pellet plant adapting straight grate technology at Bokaro Steel Plant Premises, Bokaro, India on total turnkey basis. The
Contractor shall provide the state of the art technology for the said 1.5 mtpa capacity iron oxide pellet plant.

The contract shall be executed on total turnkey basis as per the following terms and Conditions of this NIT.

4. **SCOPE OF WORK**

(a) The scope of the contract shall include the Design, Engineering, supply/Procurement services, fabrication, manufacture, including refractories, transportation, insurance, inspection, testing, painting, marking, handling and storage of equipment & facilities (including indigenous & imported items, if any), essential spares, insurance, erection works, dismantling, levelling and modification / rerouting work of existing over ground and underground facilities as may be required, Assembly, erection, supervision, monitoring, testing, pre-commissioning, start-up and commissioning of all plant, equipment and facilities including the required auxiliary units, complete civil and structural work, electrical, instrumentation & controls and Demonstration and establishment of integrated performance guarantee of the 1.5 mtpa capacity Pellet Plant and its connected auxiliaries on total turnkey basis at Bokaro Steel Plant premises of SAIL Limited, at Bokaro, Jharkhand State in India.

In brief, the total scope of this work starts with conceptual design of the Plant and completes till the plant is successfully commissioned and performance guarantee parameters are established/ proved.

(b) The Contractor shall, unless specifically excluded in the Contract, perform all such work and / or supply all such items and materials not specifically mentioned in the Contract but that can be reasonably inferred from the Contract as being required for attaining Completion of the pellet plant & associated auxiliaries and material handling system without any extra cost to Owner.

(c) The bidders are advised to verify the site conditions including availability of gas, power, electrical sub-station, water, topography, material handling facilities required, grinding system (wet/dry) etc.

The bidder shall be deemed to have visited and examined the site and its surrounding and obtained for himself on his own responsibility all information, the nature and details of the existing conditions of site.
Any neglect or omission or failure on the part of the bidder in obtaining necessary and reliable information as stated above or on any other matter affecting the bidder, shall not relieve the bidder from any risk or liability or the entire responsibility for completion of the work in accordance to the tender document.

(d) An indicative General Composite Layout is attached at Annexure-I hereto for ready reference.

(e) The bidder is expected to ensure that the total cost to be quoted by him is most competitive and workable.

(f) The successful bidder is required to participate in the techno-commercial discussions with M/S SAIL along with KIOCL officials, as and when required.

The successful bidder shall commit themselves to participate in the negotiation/e-reverse auction to offer discount, if required, on their price at the time of final price negotiation with M/S SAIL.

(g) The successful bidder shall commit themselves to offer the supplies and services towards the complete supplies, installation, commissioning and successful operation of the plant at the quoted cost commensurate with the discount offered in the final price negotiation with SAIL as above at (f).

(h) In the event, KIOCL successfully secures the BOO contract from SAIL, the successful bidder shall immediately commence all the techno-commercial activities required for setting up of the 1.5 mtpa capacity pellet plant at Bokaro so as to successfully complete the project as per the schedule without any time and cost over-runs.

(i) The successful bidder shall also submit a DPR with the necessary basic and engineering information, BOQ and other required details within a reasonable time after the award of contract by KIOCL.

(j) Bidders, either themselves or their technology provider (licensor) may indicate their willingness to participate as a co-promoter in the project, mentioning their maximum % age of equity stake, if required by KIOCL.

(k) During the period of Commissioning & carrying out Performance Guarantee tests, KIOCL shall engage their Operation & Maintenance personnel to get acquainted with the plant operation and trained by the Contractor.
5. **SUBMISSION OF BIDS**

The Bidder shall submit bid in two parts:

(a) **TECHNICAL AND COMMERCIAL DOCUMENTS - PART I:** *(SHALL BE SUBMITTED IN THREE COPIES:- One Original plus Two Copies)*

The bidder shall submit the following information in the technical & commercial part-I in addition to the other required details:

(i) Tender Document Fee of Rs.25,000/- (Rupees twentyfive thousand only) in the form of Demand Draft /RTGS.
(ii) EMD for Rs.5,00,00,000/- in the form of Demand Draft /RTGS BG.
(iii) General Composite Layout as Annexure - I
(iv) Letter of Undertaking in the format as at Annexure - II.
(v) Bidders Profile as at Annexure - III.
(vi) Power of Attorney authorizing the person to sign the tender documents.
(vii) Details of Key Personnel to be deployed for the assignment with their detailed resume.
(viii) Copy of the tender document including all the annexures duly Signed and affixed with the company seal in all pages as a token of acceptance of tender.
(ix) Copies of Firm /Company Registration Certificate, PAN Card,
(x) Proof of experience. Bidder shall submit copies of work order, completion certificates and satisfactory performance certificates issued by their clients along with the bid.
(xii) Basic approach envisaged for setting up the Pellet Plant.
(xiii) Flow sheet and equipment details.
(xiv) Time schedule/activity chart indicating the time schedule by which the bidder proposes to complete the works.
(xv) Indicative / proposed layout of the Pellet Plant
(xvi) Requirement of water, electricity for the project.
(xviii) Single Line diagram
(xix) Performance Guarantee parameters and methodology.

(b) **PRICE BID - PART II: shall be as per the Annexure IV.**

(c) The bid shall be submitted by the Bidder in the manner as described below:

(i) The first sealed envelope shall contain documents prescribed at clause 5 (a), duly signed by authorized signatory with official seal on all pages. The first
envelope shall also contain the dummy price schedule with the word “QUOTED” in place of price data furnished in the Price Bid. This envelope shall be super-scribed as “TECHNICAL AND COMMERCIAL DOCUMENTS PART I – CONTRACT FOR SETTING UP OF 1.5 mtpa CAPACITY IRON OXIDE PELLET PLANT AT BOKARO STEEL PLANT PREMISES, SAIL, ON TOTAL TURNKEY BASIS”.

(ii) Second sealed envelope shall contain Price Bid as per Annexure IV, duly signed by authorized signatory with official seal on all pages without any correction(s)/modification(s) and overwriting and super-scribed as “PRICE BID PART II – CONTRACT FOR SETTING UP OF 1.5 mtpa CAPACITY IRON OXIDE PELLET PLANT AT BOKARO STEEL PLANT PREMISES, SAIL, ON TOTAL TURNKEY BASIS”.

(iii) Both the above envelopes should be kept in one single cover and sealed and super-scribed as BID FOR “CONTRACT FOR SETTING UP OF 1.5 mtpa CAPACITY IRON OXIDE PELLET PLANT AT BOKARO STEEL PLANT PREMISES, SAIL ON TOTAL TURNKEY BASIS” and addressed to:

GENERAL MANAGER (P,BP & D)
KIOCL LIMITED
II BLOCK, KORAMANGALA
BANGALORE 560 034
KARNATAKA, INDIA

Last date for submission of the Bid is 16.02.2015, 3.00 PM.

6. TENDER DOCUMENT FEE

Tender documents can be obtained from the office of the General Manager (P,BP & D) on payment of a non refundable fee of Rs.25,000/- (Rupees twenty five Thousand Only) in our cash section. The bidders may download the tender document from KIOCL’s web site (www.kioclltd.in). The bidders who download the documents from the website shall enclose the tender document fee in the form of a Demand Draft for Rs.25,000/-drawn from any nationalized bank /scheduled bank in India, in favour of KIOCL Ltd payable at Bangalore, along with their bid. The bids submitted without tender document fee shall be rejected.
7. **EARNEST MONEY DEPOSIT:**

7.1 The Bid shall be accompanied by an **Earnest Money Deposit (EMD)** of ₹5,00,00,000/- (Rupees five crore only) to be deposited in the form of Demand Draft/ Pay order / through RTGS from any nationalized bank / Scheduled Bank in India drawn in favour of “KIOCL Limited, payable at Bangalore”. Bank Guarantee towards EMD (as per KIOCL's approved format) will also be acceptable, The Bank Guarantee should be on non-judicial stamp paper. The stamp paper should be purchased in the name of the bank, who give the guarantee and not in the name of the bidder. The bank guarantee should be strictly as per the KIOCL's proforma. No interest will be paid on Earnest Money Deposit. No other form of Earnest Money Deposit will be accepted. If it is from any foreign bank, the same should be endorsed by any Scheduled bank in India.

7.2 The bank guarantee towards EMD shall be valid for a period of six (6) months beyond the due date of submission of the Bid. In case of extension of validity of the offer, the BG submitted towards EMD will also to be extended for a further period.

7.3 Bids not accompanied by EMD shall be considered unresponsive and liable to be rejected at the sole discretion of the Owner without any further consideration.

7.4 This Earnest Money Deposit shall be returned to the unsuccessful Bidders, without any interest, after deciding the successful Bidder and in case of the successful Bidder, the same shall be returned after submission and acceptance of the Security Deposit for this work referred to in the clause no. 30 hereof.

7.5 Forfeiture of EMD: EMD will be forfeited; if the bidder withdraws /alters/modifies/amends the tender terms or derogates from the tender in any respect within the period of validity specified in the tender document after the due date of submission of bids. Further, if the successful bidder fails to furnish the required security deposit within the specified period, the EMD will be forfeited.
8. **PRE QUALIFICATION CRITERIA:**

(a) **Technical Eligibility:**

The Bidder should have the relevant expertise in providing the state of art & proven straight grate technology for installation of iron oxide pellet plants and shall have carried out design, engineering, procurement services / supply, erection / supervision of erection and commissioning of at least **TWO** Pellet Plants of minimum 1.5 mtpa capacity in a single module. Such a plant shall have operated satisfactorily for a period of at-least two years after commissioning. The bidder shall submit necessary documents substantiating their claim of meeting the technical eligibility requirement as above.

The Bidder can be a Firm or Company or a Consortium of Firms/ Companies, singly or jointly meeting the PQ criteria as above (The consortium shall not have more than four (4 parties as members). The Parties shall bind themselves in a Consortium (Un-incorporated Joint Venture) Agreement confirming therein the division of the scope/ value of the Turnkey work as also committing to jointly complete the work without time and cost-over-runs. Such an Agreement shall be a part of the document to be submitted by the Bidder to KIOCL alongwith their bid. The experience of the members should commensurate with the scope matrix.

The above experience shall be met by the bidder/consortium of bidders of their own or as a licensee of technology supplier. The bid must be supported with a license agreement in case the bidders are meeting the technical eligibility on the strength of their licensor. A technology Supplier can offer their technology to only one bidder as licensor for this bid.

The Consortium (not more than four parties as members) shall comply with the following requirements:

i. The bid shall be signed by all the members of the consortium so as to be legally binding on all members and similarly the integrity pact shall also signed by all the members.
ii. The members of the consortium shall nominate one member as the “Leader” responsible for overall performance of the Contract. The nomination shall be supported by a Memorandum of Agreement and should be signed by all the legally authorized signatories of all members.

iii. The leader shall be authorized to incur liabilities and receive instructions for and on behalf of any & all members of the consortium and the entire execution of the contract including payment shall be dealt exclusively with the leader of the consortium.

iv. Leader of the consortium shall be overall responsible for the execution of the contract. The leader and other Members of the consortium shall be jointly and severally responsible for execution of the contract.

v. A copy of the MoA entered into by the consortium prior to stipulated due date of submission of bids and valid till the date of successful commissioning of the Pellet Plant shall be submitted with the bid containing division of work of each member, their joint and several responsibilities and liabilities.

vi. In order to qualify as consortium, each of its members must have the experience in line with the scope of work defined in the MoA entered into by the consortium members.

vii. Separate bid by a consortium member will not be accepted.

viii. A party can be member in only one such consortium.

ix. Inclusion of any additional member in a consortium is not permitted after the submission of the bid.

x. For the purpose of formation of consortium, a member shall be an independent and single legal entity as per laws of India or as per the laws in the country of such member and should have its own independent financial
accounting system as per laws of India or as per laws in the country of such member.

xi. In case of a consortium becoming the Successful bidder, all the members of the consortium shall be signatories to the Contract.

Bidder shall submit copies of work order, completion certificates and satisfactory performance certificates issued by the client supporting the above along with the bid.

(b) Financial Eligibility:

a) Annual average turnover of the Single Bidder shall not be less than Rs.400 Crore during last three (3) consecutive financial years ending 31.03.2014.

b) However in case of consortium, the average annual turnover of each member shall not be less than Rs.200 Crore during last three (3) consecutive financial years ending 31.03.2014.

c) The bidder shall submit Audited Financial Reports for last three consecutive financial years ending 31st March 2014 in support of the above. In case of Consortium, Audited Financial Reports of each member for the last three consecutive financial years ending 31st March 2014 is required to be submitted.

Bidder shall submit copies of the documents supporting the above along with the bid. The bid shall include all the information on eligibility/qualification and experience required for a Bidder as described in the tender documents.

9. VALIDITY OF THE BID

(a) Bids shall be valid for a period of **180 days** from the due date of submission of the Bid.
(b) If due to any reason the tender could not be finalized within the validity period of the bid, in such case the bidder will be requested to extend the validity of the bids for a suitable period including the validity of BG towards EMD. If the Bidder does not extend the validity of the bids for required period, the bids will not be considered further.

10. **PRE-BID MEETING**

10.1 A Pre-Bid Meeting is scheduled at 10.30 AM on 09.02.2015 at the office of GM (P, BP & D), KIOCL Limited, 2nd Block Koramangala, Sarjapura Road, Bangalore-560 034 to clarify the queries of Bidders, if any. The changes in tender terms /clarifications, if any, arising out of the Pre-Bid meeting will be compiled as a bulletin and shall be published on KIOCL's website [www.kioclltd.in](http://www.kioclltd.in).

10.2 The purpose of the pre-bid meeting will be to clarify the issues and to answer the questions / queries on any matter related to the bidder that may be raised at that stage by the prospective Bidders.

10.3 Required clarifications of the bidder, in connection with the Bid, shall be submitted to the Owner so as to reach the Owner before the pre-bid meeting.

10.4 A copy of all clarifications, given by the OWNER in the pre-bid meeting, will be issued to all other Bidders, who have purchased the Bid documents and also made available on KIOCL’s website: [www.kioclltd.com](http://www.kioclltd.com). All such clarifications will form part of the Bid document.

10.5 Any clarification issued prior to the last date of submission of Bids would be put on the Owner’s web site. All prospective Bidders including those who have purchased bidding document should regularly visit the Owner’s website and would be presumed to have examined all clarifications on the website & have submitted their bids accordingly. In case any queries remain un-replied, it shall be construed that in respect of those queries, the respective stipulations of the Bidding Documents
shall continue to apply and/or no new stipulations are made with respect to those queries.

11. **AMENDMENT TO TENDER DOCUMENTS:**

11.1 Prior to the deadline for submission of bids, KIOCL may, for any reason, amend the tender documents. KIOCL reserves the right to issue addenda to tender document to clarify, amend, modify, supplement or delete any of the conditions, clauses or items stated in the tender document.

11.2 The amendment will be notified on KIOCL’s website and also will be informed in writing or e-mail, to all prospective bidders who have purchased the tender documents and will be binding on them. It will be assumed that the information contained therein will have been taken into account by the tenderer in his tender.

11.3 Any amendment issued prior to submission of tenders would be put on KIOCL’s website. All prospective tenderers would be presumed to have examined all amendments on the website and have submitted their tenders accordingly. Each addendum issued shall form a part of the original tender document.

12. **TERMS OF PAYMENTS:**

i. 0.1% of Lumpsum price including relevant taxes shall be released against submission of DPR on approval by KIOCL.

ii. 5% of the Lumpsum price excluding all taxes, duties shall be released on submission of basic engineering drawings, the basic engineering data and approval of general layout drawings of the plant against bank guarantee of equivalent amount.

iii. 5% of the Lumpsum price excluding all taxes, duties shall be released on placement of orders for, identified equipments/items (to be finalized during technical discussion) and submission of certified copies of purchase orders of the same by the contractor against bank guarantee of equivalent amount.
iv. Payment upto 77.4% of the lumpsum price including taxes, duties shall be released progressively on submission of Running Account Bills after adjustment of payment made against bank guarantee (5% each on lumpsum price ii & iii) on pro-rata completion of milestones and upon submission of documentary evidence of the taxes and duties applicable.

v. 2.5% of the lumpsum price including taxes, duties shall be released upon issue of the preliminary acceptance certificate.

vi. 2.5% of the lumpsum price including taxes, duties, shall be released upon issue of the commissioning certificate.

vii. 5% of the lumpsum price including taxes, duties, shall be released after establishment of performance guarantee parameters and issue of performance guarantee certificate.

viii. 2.5% of the lumpsum price including taxes, duties, shall be released upon issue of the final acceptance certificate.

The Bank Guarantees towards the 10% of the lumpsum price (against the payments as at sl. No. ii & iii above) shall be valid till the completion of the project after successful commissioning and proving the PG parameters by running the plant at the rated capacity for a period of one year from the date of successful commissioning and take over by KIOCL. This bank guarantee is in addition to the security deposit defined under clause no. 30 hereof.

13. PRICES:

i. Price quoted shall be inclusive of all expenses towards the scope in complete including applicable taxes & duties, expenses towards travel if any, boarding, lodging and local travel etc.

ii. The price shall be firm and binding without any escalation whatsoever till completion of the contractor’s assignment in all respects.

iii. Income tax as per prevailing rate shall be deducted from each invoice and the TDS certificate will be issued by KIOCL Limited at the end of the financial year.
iv. Prices shall be filled in the Price Schedule with ink/ball pen. There shall not be any corrections or over writings. Please ensure that the column where prices need to be mentioned is filled up.

v. Price schedule shall be signed and sealed on all pages and shall not contain any alterations/conditions/notes whatsoever.

vi. Any variation in service tax & cess after the date of submission of offer will be paid/recovered by KIOCL, only during the tenure of contract.

14. Acceptance of Terms and Conditions

Bidder shall submit one full set of signed and sealed copy of this tender including all annexures along with bid, as a token of acceptance of all terms and conditions of this tender. Submission of the bid by Bidder will be deemed as agreeing to all the terms & conditions of KIOCL including payment terms specified herein.

15. Time Schedule/Project Completion

Timely completion of the Contract work is the most important feature of this Contract.

15.1 The bidder shall furnish the best and earliest completion time for the project. However, total time period for completing the works in all respect and commissioning of the project shall not exceed 24 (twenty four) months (including monsoon) from the effective date of contract. However, all efforts shall be made by the Contractor to complete the project much earlier than the 30 months indicated above.

15.2 Upon winning the award from SAIL, KIOCL shall enter into a contract agreement with the successful bidder. Effective date of Contract shall be the date of signing of the contract agreement between KIOCL and the successful bidder.

15.3 PERT Network shall be updated by the Successful bidder every month and shall be submitted to KIOCL/SAIL along with the Monthly Progress Report.
16. **EFFECTIVE DATE OF CONTRACT**

16.1 The Acceptance of the Bid will be intimated to successful Bidder in two stages:

First Stage: KIOCL shall issue a “Letter of Association for the Turnkey Work”. The successful bidder shall thereafter associate with KIOCL for providing all techno-commercial clarifications as also for KIOCL’s arriving at a winning bid against the tender floated by SAIL for setting up of the 1.5 mtpa capacity Pellet Plant on BOO basis. The successful bidder shall also be required to offer discount on their quoted price, if necessary, so as to make KIOCL’s bid more competitive and acceptable to SAIL.

KIOCL will issue Two (02) Original copies of the letter of Association to successful Bidder and Successful Bidder will sign and seal on all the pages of the letter of Association as a token of unconditional acceptance and return one copy to KIOCL within three (03) days of the receipt of the letter of Association.

Second Stage: In the event, KIOCL wins the contract from SAIL for the BOO project, KIOCL shall finalise all the techno-commercial terms and on their successful agreement, shall issue ‘Letter of Award of Contract for the Turnkey Work” to the successful bidder.

The issue of the “Letter of Association for the Turnkey Work” by KIOCL, as described at the First Stage shall not be binding on KIOCL for any liability till the award of the contract.

The tender including all enclosures and other correspondences between KIOCL and the Bidder including the letter of Association and the Letter of Award issued by KIOCL shall be treated as an agreement between KIOCL and the Bidder for this work. A separate agreement will also be executed covering all the aspects.
16.2 **The Effective Date of Contract:** Effective date of Contract shall be the date of signing of the contract agreement between KIOCL and the successful bidder.

17. **BID DOCUMENT:** The **Bid document** consists of:

   (a) **Press Notification**
   (b) Notice Inviting Tender (**NIT**) alongwith its annexures.
   (c) Integrity Pact
   (d) Special Conditions of Contract (**SCC**)
   (e) General Conditions of Contract (**GCC**)

18. **SITE VISIT**

18.1 It is preferred that the Bidders shall visit the site and acquaint themselves of the prevailing local conditions before submitting their bid.

18.2 The bidders are advised to verify the site conditions including availability of gas, power, electrical sub-station, water, topography, material handling facilities required, grinding system (wet/dry) etc.

18.3 The bidder on submission of the bid document shall be deemed to have visited and examined the site and its surrounding and obtained for himself on his own responsibility all information, the nature and details of the existing conditions of site.

18.4 Any neglect or omission or failure on the part of the bidder in obtaining necessary and reliable information as stated above or on any other matter affecting the bidder, shall not relieve the bidder from any risk or liability or the entire responsibility for completion of the work in accordance to the tender document.

18.5 For all correspondence in respect of this tender, the agency may contact the General Manager (P, BP&D) or his authorized representative at the address given below:

   General Manager (P, BP&D)
   KIOCL LTD,
   2nd Block, Koramangala,
   Sarjapura Road,
   Bangalore- 560 034
   Karnataka - India
   Mobile no.: + 91 9449858613
   Email: bgmcpts@kudreore.com : gm-proj&bpd@kudreore.com
19. **OBLIGATIONS OF KIOCL**

19.1 To enable the Contractor to carry out their commitment in respect of the scope of services briefed under clause no. 4.0 above, KIOCL shall meet the following obligations:

19.2 KIOCL will furnish the relevant information and details to the extent available with them. For details not available, the CONTRACTOR shall assume/provide the same with proper justification, based on their experience and the data input from Bokaro Steel Plant & KIOCL.

19.3 Co-ordinate with the concerned officials of the above mentioned plant unit to facilitate effective exchange of requisite information/data.

20. **SIGNING AUTHORITY**

A person signing the bid or any documents forming part thereof on behalf of the Bidder shall be deemed to warrant that he has the requisite authority to sign such document. A Copy of power of attorney for the authorized signatory for signing of bid shall be submitted along with the bid. If, subsequently it is revealed that the person so signing has no authority to do so, KIOCL may, without prejudice to any other civil and criminal remedies, cancel the contract and hold the signatory liable for all costs and damages.

21. **EVALUATION AND COMPARISON OF BIDS**

The detailed process for Bid Evaluation is explained below:

(i) **First Stage**: Techno-Commercial Bid (PART I) Evaluation:

KIOCL will evaluate the Techno-Commercial Bids on the basis of technical parameters and features offered in the technical bids. KIOCL may call the Bidders representatives for detailed techno-commercial discussions, clarifications, presentation if required.

(ii) **Second Stage**- Price bid evaluation:

(a) KIOCL shall conduct e-reverse auction with all techno-commercially qualified bidders through service provider. The procedure for e-reverse auction is at Annexure-V.

(b) Hard copy of the price bids submitted by all techno-commercially qualified bidders will be opened. Intimation will be given to all techno-commercially qualified bidders to witness the price bid opening. Bidders may witness the same if they desire so.
(iii) **Third Stage:** Composite price comparative statement.

Based on the prices received, through Online price bidding cum reverse Auction and the sealed price bids received along with the offers (contract price sl. no. 6 of price bid –Annexure IV), a composite price comparative statement shall be prepared. Placement of order shall be considered on the L-1 price arrived.

22. **SHORT CLOSING OF TENDER**

(a) KIOCL reserves the right to cancel the tendering process at any stage, at its discretion without assigning any reasons.

(b) Conditional bids shall be rejected without assigning any reasons thereof.

(c) KIOCL reserves the right to accept or reject any and all the Bids without assigning any reasons thereof. KIOCL also reserves the right to call for any other details and information from any of the bidders.

23. KIOCL does not bind itself to accept the lowest or any bid and may cancel/ withdraw the bid without assigning any reason and no claim whatsoever, for any reason arising out of such action, will be entertained by KIOCL.

24. **SAFETY**

The successful bidder executing the work shall comply with safety regulations as per statutory requirements under the relevant Acts & keep KIOCL indemnified.

25. **JURISDICTION OF COURT**

(a) Since the agreement is to be executed at Bangalore, the courts at Bangalore alone shall have jurisdiction on any dispute arising out of agreement.

(b) **LAW GOVERNING AGREEMENT:**

The Agreement shall be Governed and interpreted in accordance with the laws in India. Any provision required to be included in a Contract of this type by any applicable and valid Law, Ordinance, Rule or Regulation shall be deemed to be incorporated herein.
26. **INTEGRITY PACT**

The bidder shall execute Integrity Pact Agreement with KIOCL as per the Integrity Pact Agreement as per ANNEXURE V. The following Independent External Monitor (IEM) is nominated for the above work:

Sri. Lukose Vallatharai,
No. 20, Bore Bank Road,
Benson Town,
Bangalore-560 046.

27. **Fraud prevention policy of KIOCL:**

“Fraud Prevention Policy” is being followed at KIOCL, which provides a system for prevention/detection/reporting of any fraud. It also forbids everyone from involvement in any fraudulent activity and that where any fraudulent activity is suspected by anyone, the matter must be reported to the Nodal Office (Chief Vigilance Officer), 2nd Block, KIOCL Limited, Koramangala, Bangalore- 560 034 as soon as he/she comes to know of any fraud or suspected fraud.

28. **CONFIDENTIALITY**

All the information, in any form, provided by the KIOCL / SAIL to the bidder in connection with the assignment, shall be kept “Strictly Confidential” by the Agency.

30. **SECURITY DEPOSIT**

30.1 Within thirty (30) days from the effective date of Contract the successful Bidder, to whom the Contract is awarded, shall furnish a Security Deposit Bank Guarantee from a Nationalised Indian Bank, in the format available in the KIOCL’s GCC in favour of the Owner. The Security Deposit Bank Guarantee amount shall be equal to ten percent (10%) of the Contract price as awarded and it shall be for due and faithful performance of the Contract in accordance with the terms and conditions specified in the contract. The Security Deposit Bank Guarantee shall be valid till the expiry of the Contract Warranty period plus three months as indicated in the warranty clause.

30.2 The Security Deposit shall be for the due and faithful performance of the contract by the CONTRACTOR and shall remain binding notwithstanding such variation, alterations or extensions of time as may be made, given, conceded or agreed to between the OWNER and the CONTRACTOR under these general
conditions of Contract or otherwise, If required by the OWNER, the validity of the security Deposit shall be extended from time to time by the CONTRACTOR.

30.3 In case the project gets delayed then the BG shall be extended by the Contractor for such delayed period without any financial liability to the Owner.

30.4 No claim shall lie against the OWNER either in respect of interest on the security deposit or depreciation in value.

30.5 On due performance and completion by the CONTRACTOR of the ‘Contract in all respects, the Security Deposit will be returned without any interest thereon after the expiry of the warranty period and submission of No Demand Certificate by the CONTRACTOR and certificate of work completion by the Owner.

30.6 Owner shall be at liberty to deduct and appropriate from the Security deposit such penalties and dues as may be payable by the Contractor under the contract and the amount by which the Security Deposit shall get diminished will be made good by further deduction from the Contractor’s subsequent bills in the same manner as aforesaid until the security deposit is restored to its full limit mentioned above. On due and satisfactory performance and completion of the contract in all respect and settlement of final bills, the Security Deposit will be returned to the Contractor without any interest on presentation of an absolute No Demand Certificate in the form as may be prescribed by the company. No claim shall lie against Owner on any account whatsoever in respect of this contract after the receipt of No Demand Certificate from the Contractor.

30.7 In case of the termination of the contract by the contractor, KIOCL Ltd shall have right to forfeit the Security Deposit.

31. **LIQUIDATED DAMAGES**

31.1 **LIQUIDATED DAMAGES FOR DELAY IN COMPLETION**

If the CONTRACTOR fails to complete the work within the time period stipulated in Clause 6.1 of the Contract, OWNER shall be entitled Immediately on such failure or at any time thereafter at the entire option of OWNER to recover or retain from CONTRACTOR as agreed liquidated damages and not as penalty a sum equal to 0.5% of the Contract price for each week of delay or any part thereof in the completion of works, subject to maximum of 10% of the Contract Price.
31.2 After the complete liquidated damages stipulated in Clause 31.1 have fallen due and the Contractor is still in delay, the OWNER shall have the option to either:

a) Get the works executed by others, without notice to the CONTRACTOR and at the risk and cost of the CONTRACTOR without canceling the Contract in respect of the works not yet due for completion,

or

b) Cancel the Contract or the portion thereof in default and if so desired, get the defaulted works executed by others at the risk and cost of the CONTRACTOR.

31.3 LIQUIDATED DAMAGES FOR NONFULFILLMENT OF PERFORMANCE GUARANTEE PARAMETERS

31.4 If for reasons attributable to CONTRACTOR, the level of Performance Guarantee Parameter are not met, OWNER reserves the right to reject the equipment.

31.5 In case, OWNER decides to accept the equipment or any part thereof after minimum level of performance guarantee parameters are met, then penalty shall be assessed and recovered from the CONTRACTOR. The ceiling limit shall be 10% of the contract price.

31.6 The total liability towards Liquidated damages for delay and Non fulfillment of Performance Guarantee shall be limited to 15% of the total contract price.

32. Quality of the iron ore fines:

32.1 For the proposed pellet plant, iron ore fines of \( \geq 63\% \) Fe will be supplied from the SAIL mines.

Indicative quality of the beneficiated iron ore fines:

<table>
<thead>
<tr>
<th>Fe</th>
<th>LOI</th>
<th>Moisture</th>
<th>Minus 10 mm</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than or equal to 63 %</td>
<td>&lt; 5 %</td>
<td>&lt; 10 %</td>
<td>100 %</td>
</tr>
</tbody>
</table>
32.2 The Pellet quality expected from the Proposed Pellet Plant:

**Fired Pellet Specification**

<table>
<thead>
<tr>
<th>Chemical Properties</th>
<th>Minimum Acceptance Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fe (%)</td>
<td>63% Min</td>
</tr>
<tr>
<td>Al2O3 (%)</td>
<td>2.0 % Max</td>
</tr>
<tr>
<td>SiO2 (%)</td>
<td>6.50% Max</td>
</tr>
<tr>
<td>S (%)</td>
<td>0.01% Max</td>
</tr>
<tr>
<td>P (%)</td>
<td>0.06% Max</td>
</tr>
<tr>
<td>TiO2 (%)</td>
<td>0.20% Max</td>
</tr>
<tr>
<td>As (%)</td>
<td>0.01% Max</td>
</tr>
<tr>
<td>Other Metals (%)</td>
<td>0.20% Max</td>
</tr>
<tr>
<td>CaO+MgO (%)</td>
<td>2.0% Max</td>
</tr>
<tr>
<td>Fe variation in the product (over the target)</td>
<td>+ or – 1 %</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Physical &amp; Metallurgical Properties</th>
<th>Minimum Acceptance Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basicity</td>
<td>0.3 About</td>
</tr>
<tr>
<td>CCS (Kg/P)</td>
<td>250 Kg/P Min</td>
</tr>
<tr>
<td>Size (9-16 mm) (%)</td>
<td>85% Min</td>
</tr>
<tr>
<td>Size (- 5 mm) (%)</td>
<td>5 % Max</td>
</tr>
<tr>
<td>Size (+ 16 mm) (%)</td>
<td>5 % Max</td>
</tr>
<tr>
<td>Tumble Index (%)</td>
<td>93% Min</td>
</tr>
<tr>
<td>Abrasion Index (%)</td>
<td>6 % Max</td>
</tr>
<tr>
<td>Reducibility (%)</td>
<td>65% Min</td>
</tr>
<tr>
<td>Swelling Index (%)</td>
<td>18% Max</td>
</tr>
<tr>
<td>Porosity (%)</td>
<td>20% Max</td>
</tr>
<tr>
<td>Compression Strength after Reduction.</td>
<td>35 Kg per pellet</td>
</tr>
<tr>
<td>Moisture (Fair Season)-(%)</td>
<td>4.0% Max</td>
</tr>
<tr>
<td>Moisture (Rainy Season)-(%)</td>
<td>6.0% Max</td>
</tr>
<tr>
<td><strong>Item</strong></td>
<td><strong>Minimum Acceptance Value</strong></td>
</tr>
<tr>
<td>PM in process waste gas stack</td>
<td>&lt; 50 mg/Nm3</td>
</tr>
<tr>
<td>PM for plant dedusting stack</td>
<td>&lt; 50 mg/Nm3</td>
</tr>
<tr>
<td>Work zone dust Concentrate ion at Operating floor</td>
<td>&lt; 4 mg/m3 (RSPM)</td>
</tr>
<tr>
<td>Noise level at 1m from source operation of equipment</td>
<td>&lt;85 db (A)</td>
</tr>
</tbody>
</table>
33. **Performance Guarantee Test:**

The contractor shall guarantee that during the performance guarantee test, even after two attempts, the facilities and all parts either in whole or in parts if they do not attain the rated output, the Owner shall recover the amount of LD as prescribed in the NIT clause no. 31.

The Performance Guarantee tests have to be performed **within six months** from the date of commissioning.

The rated capacity of the Pellet Plant will be considered on the basis of **320 working days**.

For achieving the performance guarantee parameters, the plant shall be tested for continuous operation for (30) **thirty** days period with average daily production of **4690 tons**.

For any deviation with regard to quality and rated output as mentioned in the table, a penalty will be levied at the rate of 1 % (one) of the LD amount for every percent deviation. Also Penalty/LD shall be levied with respect to deviation in quality and specific consumption on conclusion of the PG test.

34. **WARRANTY**

34.1 The CONTRACTOR shall warrant that all equipment, materials and spares furnished under the contract will be new and in accordance with the specifications and be free from defects in materials and workmanship for a period of twelve (12) calendar months commencing immediately after commissioning by the OWNER. The CONTRACTOR’s liability shall be limited to the renewal / replacement of any defective parts in the equipment of his own manufacture or those of his SUB--CONTRACTOR's under normal use and arising from faulty design, materials and/or workmanship. CONTRACTOR shall replace any part that may fail or show signs of defects in case the same is not repairable. OWNER's decision as to whether the part is repaired or replaced is final. The cost of replacement/ repair including the cost of transport/ shipment shall be borne by the CONTRACTOR. The removal of defective parts form OWNER's premises shall be CONTRACTOR’s responsibility and the expenses incurred shall be borne by the CONTRACTOR. The Contractor’s Warranty does not however cover improper operation, normal wear and tear, inadequate maintenance, misuse of machinery and not following normal operating and maintenance practices.

34.2 Regarding Spare parts, the Warranty period shall be 12 months after first industrial use or 24 months after delivery, whichever is earlier.
34.3 If it becomes necessary for the CONTRACTOR to replace or renew any defective portion of the plant under this clause, the provisions of this clause shall apply to the portions of the plant so replaced or renewed until the expiration of twelve (12) months from the date of such replacement or renewal. If any defects be not remedied within a reasonable time, the OWNER may proceed to do the work at the CONTRACTOR ’s risks and costs, but without prejudice to any other rights which the OWNER may have against CONTRACTOR in respects of such defects,

34.4 The repair of new parts will be carried out furnished-and erected free of cost at Site by the CONTRACTOR. If any repair is carried out on his behalf at the ‘Site’ the CONTRACTOR shall bear the cost of such repair.

34.5 In the case of defective parts not repairable at site but essential in the mean time for the use of the plant, the CONTRACTOR shall replace at site free of cost to the OWNER the said defective parts, before the defective parts are removed to his works. If the spare parts are available with the OWNER, the CONTRACTOR shall be allowed to use the same in replacing the defective parts, provided that the CONTRACTOR shall replace such parts within a reasonable time thereafter as may be required by the OWNER.

34.6 The cost of any special or general overhaul rendered necessary during the warranty period due to defects in the plant or defective work carried out by the CONTRACTOR shall be borne by the CONTRACTOR.

34.7 The CONTRACTOR shall also, at his expense, replace any part having defects rendering it unsuitable for the use for which intended or liable to reduce the operating life time thereof without the OWNER having to identify the nature of such defect to which the defective facility might be exposed.

34.8 Where it is established that a defect is occasioned by a genuine error in design, the CONTRACTOR shall replace all identical components furnished within the compass of the Contract with components better suited to perform the same functions in the same conditions, even though such components may not have given rise to any failure.

34.9 If during the period of Warranty, the entire plant should be unavailable for reasons ascribable to the CONTRACTOR or for performing a design modification to better adapt the facility of technological progress, the period of Warranty covering the entire works shall be extended by all of the period of unavailability of the equipment.
34.10 In the case of those defective parts which are not repairable at Site’ but are essential for the ‘Commercial Use’ of the equipment, the CONTRACTOR and the OWNER shall mutually agree to a programme of replacement or renewal which will reduce interruption to the minimum extent in the operation of the equipment.

34.11 If the CONTRACTOR on account of the defects, reparis and/or replaces certain items by changing the design or materials, such change shall not reduce the performance of the unit as per Technical Specification.

34.12 If any drawings/documents supplied by the CONTRACTOR is found to be incorrect or incomplete within the tenure of this Contract, the CONTRACTOR shall correct or complete such drawings/documents at his cost within a reasonable time.

34.13 The acceptance of the equipment by the OWNER and issuance of any certificate of Inspection or certificate of approval by the OWNER shall in no way relieve the CONTRACTOR of his obligations under this clause.

35 All other terms and conditions including the Liquidated Damages etc. shall be as per the relevant GCCs of KIOCL which are listed as under:

i. KIOCL’s General Conditions of Contract for Indigenous Supply. - Annexure-VII
ii. KIOCL’s General Conditions of Contract for Off shore supply – Annexure-VIII
iii. KIOCL’s General Conditions of Contract for works – Annexure-IX

Bidders may kindly note that the clause no. 33 of the Annexure – VII and the clause no. 59.00 in the Annexure-IX are not valid.

36 In the event of any conflict between the contents of GCC and NIT, the NIT and SCC shall govern. In the event of any conflict between the contents of SCC and NIT, the NIT shall supersede the SCC.

37 **DISCLAIMER**

The information contained in this TENDER or subsequently provided to Bidders, whether verbally or in documentary or any other form by or on behalf of KIOCL or any of its employees or advisers, is provided to Bidders on the terms and conditions set out in this TENDER and such other terms and conditions subject to which such information is provided. This TENDER is not an agreement or an offer by KIOCL to the prospective Bidders or any other person. The purpose of this TENDER is to provide interested parties with information that may be useful to them in the
formulation of their offer pursuant to this TENDER. This TENDER includes statements, which reflect various assumptions and assessments arrived at by KIOCL in relation to the WORK. Such assumptions, assessments and statements do not purport to contain all the information that each Bidder may require. This TENDER may not be appropriate for all persons, and it is not possible for KIOCL, its employees or advisers to consider the objectives, technical expertise and particular needs of each party who reads or uses this TENDER.

KIOCL accepts no responsibility for the accuracy or otherwise for any interpretation or opinion on the law expressed herein. KIOCL, its employees and advisers make no representation or warranty and shall have no liability to any person including any Bidder under any law, statute, rules or regulations or tort, principles of restitution or unjust enrichment or otherwise for any loss, damages, cost or expense which may arise from or be incurred or suffered on account of anything contained in this TENDER or otherwise, including the accuracy, adequacy, correctness, reliability or completeness of the TENDER and any assessment, assumption, statement or information contained therein or deemed to form part of this TENDER or arising in any way in this Selection Process. KIOCL also accepts no liability of any nature whether resulting from negligence or otherwise however caused arising from reliance of any Bidder upon the statements contained in this TENDER. The KIOCL may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information, assessment or assumption contained in this TENDER. The issue of this TENDER does not imply that KIOCL is bound to select a Contractor or to appoint the Selected Bidder, as the case may be, for the work and KIOCL reserves the right to reject all or any of the proposals without assigning any reasons whatsoever. The Bidder shall bear all its costs associated with or relating to the preparation and submission of its offer including but not limited to expenses associated with any demonstrations or presentations which may be required by KIOCL or any other costs incurred in connection with or Result relating to its offer. All such costs and expenses will remain with the Bidder and KIOCL shall not be liable in any manner whatsoever for the same or for any other costs or other expenses incurred by the Bidder in preparation or submission of the offer, regardless of the conduct or outcome of the Selection Process.

For KIOCL Limited,

General Manager (P, BP & D)

X--------------------------X
ANNEXURE –I I

(To be submitted in Bidder’s letter head)

LETTER OF UNDERTAKING

To,

The Deputy General Manager (CP & TS),
KIOCL Limited,
II Block, Koramangala
Bangalore - 560034

Sir,

I/We have read terms and conditions of the Notice Inviting Tender No. KIOCL/TS/BOKARO/PP/BOO/TURNKEY/99 dated 03.02.2015 for “CONTRACT FOR SETTING UP OF 1.5 mtpa CAPACITY IRON OXIDE PELLET PLANT AT BOKARO STEEL PLANT PREMISES, M/S SAIL, BOKARO ON TOTAL TURNKEY BASIS”.

I/We offer to undertake services as detailed in the scope of work. We undertake to complete the work as per scope of work within time as specified in terms and conditions of this NIT.

In case of acceptance of the offer by KIOCL, I/We undertake to commence the work immediately after receipt of Letter of Acceptance.

This offer is valid for a period of 180 days from the due date of submission of the bid.

Yours Faithfully,

Authorized Signatory

Name of the Bidder

Office seal

Date:

Place:
ANNEXURE –III

BIDDER’S PROFILE

(To be submitted in Bidder’s letter head)

1. Name and Address of the Organization / Agency

2. Place of registration

3. Principal place of business

4. Name and address, telephone, telex, fax, e-mail id, etc., of contact person.

5. Turnover in INR (in last three years i.e. 2011-12, 2012-13 & 2013-14)

6. Nature of business

7. Bank Details for RTGS/NEFT

Authorized Signatory

Name of the Bidder

Office seal

Date:

Place:
ANNEXURE -IV

PRICE BID

(To be typed and submitted in the company’s letterhead)

To,
M/s KIOCL LTD.,
2nd Block, Koramangala,
Sarjapur Road,
Bangalore – 560 034

Dear Sir,

"CONTRACT FOR SETTING UP OF 1.5 mtpa CAPACITY IRON OXIDE PELLET PLANT AT BOKARO STEEL PLANT PREMISES, M/S SAIL, BOKARO ON TOTAL TURNKEY BASIS".

I/We have perused the Notice Inviting Tender No. KIOCL/TS/BOKARO/PP/BOO/TURNKEY/99 dated 03.02.2015 and am / are willing undertake the Contract on Total Turnkey basis and complete the assignment as per terms and conditions stipulated in the tender document for setting up of a 1.5 mtpa capacity iron oxide pellet plant at Bokaro Steel Plant premises, SAIL, Bokaro, Jharkhand, India.

SCHEDULE OF ITEMS & PRICES

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>DESCRIPTION OF WORK</th>
<th>UNIT</th>
<th>AMOUNT IN RUPEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Total cost excluding all taxes and duties for setting up of a 1.5 mtpa capacity</td>
<td>LUMPSUM</td>
<td></td>
</tr>
<tr>
<td></td>
<td>iron oxide Pellet Plant at Bokaro on total turnkey basis. All as per the scope for completeness of the project.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Taxes and duties</td>
<td>Rate</td>
<td>Duty/taxes on ------- ---- of lumpsum</td>
</tr>
<tr>
<td></td>
<td>a. Excise duty including cess</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>b. Service tax including cess</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>c. CST/VAT</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sub total of a to c</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>TOTAL for 1 &amp; 2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The bidders to indicate separately the break-up of the total cost as per Table-1 covering the following heads:

1. Charges towards services on which claimed service tax eg. DPR, Engineering Services, Erection, commissioning, consultancy, etc.
2. Equipment costs with break-up
3. Material handling equipment
4. Civil and structural works
5. Electrical.
6. Instrumentation, Control & Automation.
7. Utilities
8. Erection, testing and commissioning
9. Miscellaneous, if any. (To be indicated).

NOTE:

i) The lump sum fee quoted above shall be inclusive of all costs to be incurred by the bidder in connection with this WORK including the cost of all visits, travels, related cost.

ii) Payment shall be released against completion of milestones.

iii) The quoted value of the supplies & services mentioned hereto unless revised after the negotiation, if any, will remain firm up to the completion of the assignment in all respect. In case of revision, if any, the revised prices shall hold good and shall stay firm till the completion of the contract.

Thanking you,

Yours faithfully,

(Signature & Seal)
FORMAT FOR RECONCILIATION OF CENVATABLE TAXES/INPUT VAT

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Item Head</th>
<th>Basic Price</th>
<th>ED including Cess</th>
<th>CST</th>
<th>VAT</th>
<th>Serv. Tax including Cess</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>DPR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Design &amp; Engineering</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Supply of Plant &amp; Equipment incl. Technological Structures, essential spares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Supply of Building Steel Structures including Sheeting and Glazing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Supply of Refractories</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Civil Engineering work including all related supplies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Erection - Storage, Handling, Erection of Plant &amp; Equipments, Building Steel Structures &amp; Refractories including Commissioning and PG Tests of the Facilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Foreign Supervision charges in India during erection, startup, commissioning &amp; PG test for ______ mandays</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Foreign Training charges for ______ mandays</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>For all items imported</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>a) Ocean Freight</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>b) Customs, Port clearance including taxes and duties and Inland transportation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Insurance:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) Comprehensive/ Transit, Storage cum erection insurance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>b) Marine insurance for all imported items</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>12</td>
<td>Total Contract Price (1 to 11)</td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>13</td>
<td>a) Minimum guaranteed CENVAT credit on account of Excise Duty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>14</td>
<td>Sub-Total of 13 (a to c)</td>
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<tr>
<td>15</td>
<td>Contract Price (net of CENVAT/ VAT)</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
## ANNEXURE-V

### BUSINESS RULE AND TERMS & CONDITIONS OF ONLINE PRICE BIDDING CUM REVERSE AUCTION

**KIOCL/TS/BOKARO/PP/BOO/TURNKEY/99 dated 03.02.2015**

<table>
<thead>
<tr>
<th>BUYER NAME</th>
<th>KIOCL LIMITED, TECHNICAL SERVICES DEPARTMENT, BANGALORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUCTION TO BE CONDUCTED BY</td>
<td>M/s. BOBTECH SOLUTIONS PVT. LTD., Address: #4, 100 Ft Ring Road, B.T.M. 1st stage, 1st Phase, Bangalore – 560 068</td>
</tr>
<tr>
<td>Mobile:</td>
<td>+91-7411285906</td>
</tr>
<tr>
<td>Phone nos:</td>
<td>+91- 80- 4900213 / 4900214</td>
</tr>
<tr>
<td>Fax no:</td>
<td>+91-80- 49000211/ 42001251</td>
</tr>
<tr>
<td>e-mail:</td>
<td><a href="mailto:avinash.thammegowda@bobprocure.com">avinash.thammegowda@bobprocure.com</a> / <a href="mailto:marita.ravi@bobprocure.com">marita.ravi@bobprocure.com</a></td>
</tr>
<tr>
<td>DATE OF AUCTION</td>
<td><strong>Online Price Bid cum Reverse Auction Date:</strong></td>
</tr>
<tr>
<td><strong>Dynamic Sealed Bid Time:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Reverse Auction Time:</strong></td>
<td>(will be specified at later)</td>
</tr>
<tr>
<td>(Auto extension as applicable)</td>
<td></td>
</tr>
<tr>
<td>DOCUMENTS ATTACHED</td>
<td>Business rule for Online price bidding cum reverse auction Annexure-(A)</td>
</tr>
<tr>
<td>Terms &amp; conditions of Online price bidding cum reverse auction</td>
<td></td>
</tr>
<tr>
<td>Process Compliance Statement (Annexure-B)</td>
<td></td>
</tr>
<tr>
<td>Price Confirmation (Annexure-C)</td>
<td></td>
</tr>
<tr>
<td>Contact Information</td>
<td></td>
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</tbody>
</table>

**Note:**

The bidders are requested to note that they should have a valid digital Certificate issued by any of the valid certifying authorities to participate in the online bidding. Those vendors who are not in possession of a valid digital certificate are requested to apply for the same well in advance to avoid any last minute hassles. The bidders may contact the service provider if they are not in possession of a valid digital certificate.
ANNEXURE - A

BUSINESS RULES FOR ON LINE PRICE BIDDING CUM REVERSE AUCTION

A) General Terms and Conditions of Online Price Bidding cum Reverse Auction

1. Against this Enquiry for the subject item/system with detailed scope of works as per our specification, KIOCL Limited, hereinafter referred to as KIOCL, may resort to “ONLINE PRICE BIDDING CUM REVERSE AUCTION PROCEDURE”.

2. For the proposed Online price bidding cum reverse auction, techno commercially acceptable bidders only shall be eligible to participate. Bidders are requested to ensure that they have valid digital certificate well in advance so as to confirm participation before the online price bidding cum reverse auction.

3. KIOCL will engage the services of a service provider who will provide all necessary training and assistance before commencement of on line price bidding on Internet. Service provider shall also explain to the bidders, all the rules related to the Online Price bidding cum Reverse Auction / Business Rules.

4. Business rules like event date, time, bid decrement, extensions, etc. also will be communicated through service provider.

5. Vendors have to fax / e-mail the compliance form in the prescribed (provided by service provider) before start of Online price bidding. Without this the vendor will not be eligible to participate in the event.

6. Online price bidding cum Reverse auction will be conducted on schedule date & time.

7. At the end of Online price bidding cum reverse auction event, the bidders who had participated in the event has to fax / e-mail the duly signed filled-in prescribed format in their company letter head as provided on case-to-case basis to KIOCL through service provider within 24 hours of auction without fail.
B) Business Rule for finalization of the Online Price Bidding cum Reverse Auction.

KIOCL has made arrangement with M/s. BOB Tech Solutions Pvt. Ltd who shall be KIOCL’s authorized service provider for the same. Please go through the guidelines given below and submit your acceptance to the same along with your Commercial Bid.

1. Online price bidding cum reverse auction shall be conducted by KIOCL, on pre-specified date, while the vendors shall be quoting from their own offices/ place of their choice. Internet connectivity shall have to be ensured by vendors themselves. In extreme case of failure of Internet connectivity, (due to any reason whatsoever may be) it is the bidders’ responsibility / decision to send fax communication immediately to M/s. BOB Tech Solutions Pvt. Ltd furnishing the price the bidder wants to bid online with a request to the service provider to upload the faxed price on line so that the service provider will up load that price on line on behalf of the Bidder. It shall be noted clearly that the concerned bidder communicating this price to service provider has to solely ensure that the fax message is received by the service provider in a readable / legible form and also the Bidder should simultaneously check up with service provider about the clear receipt of the price faxed. It shall also be clearly understood that the bidder shall be at liberty to send such fax communications of prices to be uploaded by the service provider only within the closure of Bid time and under no circumstance it shall be allowed beyond the closure of Bid time / reverse auction. It shall also be noted that the service provider should be given a reasonable required time by the bidders, to upload such prices online and if such required time is not available at the disposal of the Service provider at the time of receipt of the fax message from the bidders, the service provider will not be uploading the prices and either KIOCL or the service provider are not responsible for this unforeseen circumstances. In order to ward-off such contingent situation bidders are requested to make all the necessary arrangements/ alternatives whatever required so that they are able to circumvent such situation and still be able to participate in the online price bidding cum reverse auction successfully. Failure of power at the premises of vendors during the Online price bidding cum Reverse auction cannot be the cause for not participating in the Online bidding auction. On account of this, the time for the auction cannot be extended and neither KIOCL nor M/s. BOB Tech Solutions Ltd. is responsible for such eventualities.

2. The detailed process for online price bidding cum reverse auction is explained below:

The online price bidding event will be conducted in three stages :-
STAGE -I : Online initial price bid

At scheduled time, the screen for On-line price bidding will be launched wherein the techno-commercially qualified bidders will be allowed to submit their offers through online.

During the Stage-I online initial price bidding, the bidders would be required to quote price only on the basis of price terms indicated in their sealed price bid submitted along with techno-commercial bid before.

STAGE –II : Start Bid Price

After the expiry of the time for submission of on-line initial price bids, the lowest Price will be frozen by the system as the Start Bid Price (SBP) for Stage – III online bidding.

Stage – III : Reverse Auction on Start Bid Price

a) In Stage III of the online competitive bidding, computer screen will display Start Bid Price and which shall be visible to the all vendors participated in the initial online price bid auction during the start of the reverse Auction. You will be required to start bidding after announcement of Start Bid Price and decrement amount. Also, please note that the start price of an item in online reverse auction is open to all the participated online bidders. Any bidder can start bidding, in the online reverse auction, from the start price itself. If the start price is your own price, you still need to bid in the online reverse auction. Also, please note that the first online bid that comes in the system during the online reverse auction can be equal to the auction's start price, or lesser than the auction's start price by one decrement, or lesser than the auction's start price by multiples of decrement. The second online bid and onwards will have to be lesser than the L1 rate by one decrement value, or lesser than the L1 rate by multiples of the decrement value.

b) Those vendors who have participated in the Initial online Price Bid Auction, will only be eligible to participate in the subsequent English Reverse Auction.

c) Online Initial Price Bid will be for 30 minutes and Online English Reverse (no ties) Auction shall be for a period of one hour with a 30 minutes time difference between Initial Price Bid and RA. If a bidder places a bid in the last 10 minutes of closing of the Reverse Auction and if that bid gets accepted, then the auction’s duration shall get extended automatically for another 10 minutes, for the entire auction (i.e. for all the items in the auction), from the time that bid comes in. Please note that the auto-extension will take place only if a bid comes in those last 10 minutes and if that bid gets accepted. If the bid does not get accepted, the auto-extension will not take place even if that bid might have
come in the last 10 minutes. In case, there is no bid in the last 10 minutes of closing of Reverse Auction, the auction shall get closed automatically without any extension. However, vendors are advised not to wait till the last minute or last few seconds to enter their bid during the auto-extension period to avoid complications related with internet connectivity, network problems, system crash down, power failure, etc.

d) The bid decrement amount shall be specified by KIOCL before start of bidding. The bidder can bid lower than the start bid price in reverse auction by a bid decrement or multiple of Bid decrement.

e) Bidder will be able to view the following on your screen along with the necessary fields in the English Reverse (no ties) (Reverse Auction):

   a. Leading Bid in the Auction (only total price)
   b. Bid Placed by you
   c. Your Own Rank
   d. Start Bid Price & Bid Decrement value.

f) After the completion of English Reverse (no ties), the Closing Price (CP) shall be available.

g) At the end of the Reverse Auction, Service Provider will evaluate all the bids (final price) submitted and final price comparative statement will be forwarded to KIOCL for further processing.

h) The bidders who have participated in the event, shall be required to submit the final prices, quoted during the English Reverse (no ties) in Annexure-C Format after the completion of Auction to Service Provider / KIOCL duly signed and stamped as token of acceptance without any new condition other than those already agreed to before start of auction.

i) Bids once made by the bidders, cannot be cancelled / withdrawn.

j) During the Online English Reverse (No Ties) Auction, if no bid is received in the auction system/website within the specified time duration of the online price bidding cum reverse auction, then KIOCL, at its discretion, may scrap the online price bidding cum reverse auction process and open only sealed price bids of all technically and commercially acceptable bidders submitted earlier along with techno-commercial bids.

k) KIOCL shall be at liberty to cancel the reverse auction process / tender at any time, before ordering, without assigning any reason.
3. Other terms and conditions shall be as per techno-commercial offers and other correspondences till date.

4. KIOCL shall not have any liability to bidders for any interruption or delay in access to the site irrespective of the cause.

5. Bidders are required to submit their acceptance to the terms and conditions given above before participating in the reverse auction.

6. Our Service provider shall explain all the Rules related to the Online Price Bidding cum Reverse Auction/ Business Rules Document to be adopted along with bid manual. You are required to give your compliance on it before start of bid process.

7. At the end of the reverse auction, bidder has to provide a detail price break up for his lowest offer (if KIOCL insists the same) within 24 hours.

**OTHER TERMS & CONDITIONS:**

1. The Bidder shall not involve himself or any of his representatives in Price manipulation of any kind directly or indirectly by communicating with other parties / bidders.

2. The Bidder shall not divulge either his Bids or any other exclusive details of KIOCL to any other party.

3. KIOCL’s decision on award of Contract shall be final and binding on all the Bidders.

4. Our Service Provider M/s. BOB Tech Solutions Pvt. Ltd shall not have any liability to Bidders for any interruption or delay in access to the site irrespective of the cause.

5. M/s. BOB Tech Solutions Pvt. Ltd is not responsible for any damages, including damages that result from, but are not limited to negligence.

6. M/s BOB Tech Solutions Pvt. Ltd will not be held responsible for consequential damages, including but not limited to systems problems, inability to use the system, loss of electronic information etc.

**Change in Business Rules, Terms & Conditions of Reverse Auction :**

1) KIOCL reserves the right to modify / withdraw any of the Business rules, Terms & conditions of online price bidding cum reverse Auction at any point of time.

2) Modifications of Business rules, Terms & conditions of Reverse Auction will be made available on website immediately.
3) Modifications made during the online price bidding and Reverse Auction event will be advised to participating Bidders immediately.
ANNEXURE - B

Process Compliance Form

(The bidders are required to print this on their company's letter head and sign, stamp before faxing)

To
M/s. BOBTECH SOLUTIONS PVT. LTD.,
#4, 100 Ft Ring Road,
B.T.M. 1st stage, 1st Phase,
Bangalore – 560 068

Sub: Agreement to the Process related Terms and Conditions for the Online price bidding cum Reverse Auction

Dear Sir,

This has reference to the Terms & Conditions for the Online Price bidding cum Reverse Auction mentioned in the Tender Notice No: KIOCL/TS/BOKARO/PP/BOO/TURNKEY/99 dated 03.02.2015 - “CONTRACT FOR SETTING UP OF 1.5 mtpa CAPACITY IRON OXIDE PELLET PLANT AT BOKARO STEEL PLANT PREMISES, M/S SAIL, BOKARO ON TOTAL TURNKEY BASIS”. This letter is to confirm that:

1. The undersigned is authorized representative of the company.
2. We have studied the Commercial Terms and the Business rules governing the Online price bidding cum Reverse Auction as mentioned in your letter and confirm our agreement to them.
3. We also confirm that we have a valid digital certificate which will be valid for the subject tender whenever we sign on the bid submission.
4. We also confirm that we have taken the training on the auction tool and have understood the functionality of the same thoroughly.
5. We also confirm that we will fax the price confirmation & break up of our quoted price as per Annexure C & the price bid format in the tender document.
6. We, hereby confirm that we will honour the Bids placed by us during the auction process.

With regards
Signature with company seal
Name –
Company / Organization –
Designation within Company / Organization –
ANNEXURE – C

To

M/s. BOBTECH SOLUTIONS PVT. LTD.,
#4, 100 Ft Ring Road,
B.T.M. 1st stage, 1st Phase,
Bangalore – 560 068

Sub: Final price quoted during online price bidding cum reverse auction and price break up –“CONTRACT FOR SETTING UP OF 1.5 mtpa CAPACITY IRON OXIDE PELLET PLANT AT BOKARO STEEL PLANT PREMISES, M/S SAIL, BOKARO ON TOTAL TURNKEY BASIS”.

Ref: 1. KIOCL/TS/BOKARO/PP/BOO/TURNKEY/99 dated 03.02.2015
2. e-Auction date. ……………………………
3. Our Offer No. ……………………………
dt.

Dear Sir,

We confirm that we have quoted our Final Prices during the Reverse Auction conducted today and Final Price Break-up is as under:

**SCHEDULE OF ITEMS & PRICES**

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>DESCRIPTION OF WORK</th>
<th>UNIT</th>
<th>AMOUNT IN RUPEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Total cost excluding all taxes and duties for setting up of a 1.5 mtpa capacity iron oxide Pellet Plant at Bokaro on total turnkey basis. All as per the scope for completeness of the project.</td>
<td>LUMPSUM</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Taxes and duties</td>
<td>Rate</td>
<td>Duty on --------</td>
</tr>
<tr>
<td></td>
<td>a. Excise duty including cess</td>
<td></td>
<td>-------- of lumpsum</td>
</tr>
<tr>
<td></td>
<td>b. Service tax including cess</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>c. CST/VAT</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sub total of a to c</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>TOTAL for 1 &amp; 2</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Description</td>
<td>Calculation</td>
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<td>-----------------------------------------------------------------------------</td>
<td>-------------</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>a) Minimum guaranteed CENVAT credit on account of Excise Duty</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>b) Minimum guaranteed CENVAT credit on account of Service Tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>c) Minimum guaranteed Input Tax credit on account of VAT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Sub total of 4 a) to c)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Price (net of CENVAT/ VAT) (3-5)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Thanking you and looking forward to the valuable order from KIOCL.

Yours sincerely,

For __________________

Signature and Name                          Company Seal
KIOCL LIMITED
SETTING UP OF A 1.5 mtpa CAPACITY PELLET PLANT ON TOTAL TURNKEY BASIS AT BOKARO STEEL PLANT PREMISES OF M/S SAIL, BOKARO, JHARKHAND, INDIA
NOTICE INVITING TENDER (NIT)

CONTACT INFORMATION

| M/s. BOBTECH SOLUTIONS PVT. LTD., Address #4, 100 Ft Ring Road, B.T.M. 1st stage, 1st Phase, Bangalore – 560 068 | Contact details:
1. Mr. Avinash, Mob: 7411285906 e-mail: avinash.thammegowda@bobeprocure.com
2. Ms. Seema, Ph.no. 080-4900214 e-mail: Seema.sayeekha@bobeprocure.com
3. Mr. Marita Ravi, Ph.no. 080-4900213 e-mail: marita.ravi@bobeprocure.com
Fax no: 080 – 49000211 / 42001251 |

| KIOCL Limited, Business Development Dept. II Block Koramangala, BANGALORE – 560 034 Karnataka State | BISHNUPADA PAL
GENERAL MANAGER (P,BP & D)
P&T: 080-25531371 Mob: +91 9449858613 Fax: (80) –25532153 /25535941/ E-Mail: bgmcts@kudreore.com gm-proj&bpd@kudreore.com |
INTEGRITY PACT
INTEGRITY PACT

THIS AGREEMENT is entered into between the following Parties:
KIOCL Limited, IInd Block, Koramangala, Bangalore 560 034 hereinafter referred to as “The Principal”,

and

Name & Address of the Party

…………………………………………
…………………………………………
…………………………………………
hereinafter referred to as “The Tenderer/ Contractor”

Preamble

The Principal intends to award a contract, following its laid-down organizational procedures, for the CONTRACT FOR SETTING UP OF 1.5 mtpa CAPACITY IRON OXIDE PELLET PLANT AT BOKARO STEEL PLANT PREMISES, M/S SAIL, BOKARO ON TOTAL TURNKEY BASIS. The Principal values full compliance with all relevant laws and regulations and the principles of economical use of resources and of fairness and transparency in its relations with its Tenderer(s) and/or Contractor(s).

In order to achieve these goals, the Principal cooperates with the renowned international Non-Governmental Organization, "Transparency International" (TI). Following TI's national and international experience, the Principal will appoint an Independent External Monitor (IEM) who will monitor the tender process and the execution of the Contract for compliance with the principles mentioned below.

IT IS AGREED AS FOLLOWS:

Definitions:

a) “Principal” means KIOCL LIMITED, incorporated under the Companies Act 1956, having their registered office at Koramangala, Bangalore – 560 034 and includes their successors.

b) “Tenderer” means the person, firm or company submitting a tender against the Invitation to Tender and includes his/ its/ their staff, consultants, parent and associate and subsidiary companies, agents, consortium and joint venture partners, subcontractors and suppliers, heirs, executors, administrators, representatives, successors.

c) “Contractor” means the Tenderer whose tender has been accepted by the principal or Company whose tender has been accepted and shall be deemed to include his/ its/ their successors, representatives, heirs, executors and administrators unless excluded by the Contract.
d) "Independent External Monitor" means a person, hereinafter referred to as IEM, appointed, in accordance with clause 8.a below, to verify compliance with this agreement.

e) "Party" means a signatory to this agreement.

f) "Contract" means the contract entered into between the Principal and Tenderer/Contractor for the execution of work mentioned in the preamble above.

Commitments of the Parties

Section 1 - Commitments of the Principal

The Principal commits itself to take all measures necessary to prevent corruption (inducement to violate duty assigned to its employees) and to observe the following principles;

i) No employee of the Principal, personally or through family members or any third person, will in connection with all stages of tendering or the execution of Contract, demand or take a promise, or accept, for him/herself or any third person, any material or non-material benefit which he/she is not legally entitled to;

ii) The Principal will, during the tender process, treat all Tenderers with equity and reason. The Principal will in particular, before and during the tender process, provide to all Tenderers the same information and will not provide to any Tenderer any information/ clarification through which the Tenderer could obtain an advantage in relation to the tender process or the Contract execution;

iii) The Principal will not take, directly or indirectly, any steps, which could unduly influence the functioning of IEM.

iv) If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the relevant Anti-corruption Laws of India/ guidelines of Govt. / guidelines of CVC/ guidelines of Principal, or if there be a substantive suspicion in this regard, the Principal will inform its Vigilance Office and in addition can initiate disciplinary actions.

v) If the Principal obtains information of conduct of a bidder, contractor or subcontractor or of an employee or a representative or an associate of a bidder, contractor or sub-contractor, which constitutes corruption, or if the Principal has a substantive suspicion in this regard, the Principal will inform the Vigilance Department of the principal.
Section 2 - Commitments of the Tenderer(s)/Contractor(s)

2.1 The Tenderer /Contractor commits himself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the Contract execution;

i) The Tenderer / Contractor will not directly or through any other person(s) or firm, offer, promise or give to the Principal, or to any of the Principal's employees involved in the tender process or the execution of the Contract or to any third person any material or immaterial benefit which he / she is not legally entitled to in order to obtain, in exchange, an advantage during the tender process or to vitiate the Principal’s tender process or the execution of the Contract.

ii) The Tenderer / Contractor will not enter with other Tenderers into any illegal agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or actions to restrict competitiveness or to vitiate the Principal’s tender process or the execution of the Contract.

iii) The Tenderer / Contractor will not commit any criminal offence under the relevant Anti-corruption Laws of India; further, the Tenderer / Contractor will not use improperly, for purposes of competition or personal gain, or pass on to others, any information provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.

iv) The Tenderer / Contractor of foreign origin shall disclose the name and address of the agents/representatives in India, if any. Similarly, the Tenderer / Contractor of Indian Nationality shall furnish the name and address of the foreign principals, if any.

v) The Tenderer / Contractor will, when presenting his bid, disclose any and all payments he has made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the Contract.

vi) The Tenderer/ Contractor will not take, directly or indirectly, any steps, which could unduly influence the functioning of IEM.

vii) The Tenderer / Contractor will not instigate third persons to commit offences outlined above or be an accessory to such offences.
2.2 **Obligation to Ensure Compliance**

a) Each Party will take all reasonable steps to ensure that the provisions of this agreement which are binding on it are complied with by all of its staff, consultants, parent and associated and subsidiary companies, agents, consortium and joint venture partners, sub-contractors and suppliers.

b) Each Party will appoint an appropriate senior manager with responsibility for ensuring that the provisions of this agreement are complied with.

**Section 3 - Disqualification from tender process and exclusion from future contracts**

a) If the Tenderer, before award of Contract, has committed a transgression through violation of any of the terms **under section 2 above** or in any other form such as to put his reliability or credibility as Tenderer into question, the Principal is entitled to disqualify the Tenderer from the tender process or to terminate the Contract, if already signed, for such reason.

b) If the Tenderer / Contractor has committed a transgression through a violation of any of the terms **under section 2 above** or in any other form such as to put his reliability or credibility into question, the Principal is entitled also to exclude the Tenderer / Contractor from future Contract award processes. The imposition and duration of the exclusion will be determined by the severity of the transgression. The severity will be determined by the circumstances of the case, in particular the number of transgressions, the position of the transgressors within the company hierarchy of the Tenderer / Contractor and the amount of the damage. The exclusion will be imposed for a minimum of six (6) months and a maximum of three (3) years.

c) If the Tenderer / Contractor can prove that he has restored/ recouped the damage caused by him and has installed a suitable corruption prevention system, the Principal may revoke the exclusion before the expiry of the period of such exclusion.

d) A transgression is considered to have occurred if, in light of all available evidence, a reasonable doubt is possible.

**Section 4 - Compensation for Damages**

a) If the Principal has disqualified the Tenderer from the tender process prior to the award according to **Section 3 above**, the Earnest Money Deposit (EMD) furnished, if any, along with the offer as per the terms of the Invitation to Tender (ITT) shall be forfeited. This is apart from the disqualification of the Tenderer as may be imposed by the Principal as brought out at section **3 above**.

b) If the Principal has terminated the Contract according to **Section 3 above**, or if the Principal is entitled to terminate the Contract according to **section 3 above**, the EMD/Security Deposit furnished by the contractor, if any, as per the terms of the ITT/Contract shall be forfeited. This is apart from the disqualification of the Tenderer, as may be imposed by the Principal, as brought out at **section 3 above**.
Section 5 - Previous Transgression

a) The Tenderer hereby declares that no previous transgressions with respect to provisions of Integrity pact occurred in the last three (3) years with any other Company in any country or with any other Public Sector Enterprise in India and, as such, there is no case for his exclusion from the tender process.

b) The Tenderer hereby agrees that if he has made/makes incorrect statement in regard to this aspect, he can be disqualified from the tender process or the Contract, if already awarded, can be terminated for that reason.

Section 6 - Equal treatment of all Tenderers/Contractors/ Sub-contractors

a) The Tenderer / Contractor undertakes to obtain from all sub-contractors a commitment consistent with this integrity pact, and to submit it to the Principal at the time of seeking approval of the principal for appointment of sub-contractors.

b) The principal will enter into agreements with identical conditions as that of this Integrity Pact, with all Tenderers / Contractors.

c) It is essential for all tenderers / contractors to sign the Integrity Pact with the company if the value of the transaction is more than 30 lakhs. The principal will disqualify from the tender process all tenderers/ contractors who do not sign this Pact or violate its provisions.

Section 7 - Breaches of this Agreement

a) In the event that any Party believes that there is prima facie evidence that there has been a failure by a Party to comply with any provision of this agreement, such Party will take the following actions:

i) It will report full details of such suspected non-compliance to the IEM and CVO with copies to the Chief Executives of each of the Parties.

ii) If any such non-compliance has been carried out, or assisted by an individual who is a member of a professional association, and such non-compliance may constitute a breach of any disciplinary code of such professional association, such Party may report such matter to the professional association.

b) If such non-compliance may constitute a criminal offence, either in the country in which the Contract is being carried out, or in the home country of the organization or individual which carried out or assisted such non-compliance, such Party may report such matter to the appropriate criminal authorities in those territories.

c) In the event that any Party breaches any provision of this agreement, the other Parties may, in addition to the rights under this agreement, claim damages against
the defaulting Party, and exercise any other rights they may have against the defaulting Party.

d) The Parties will take appropriate disciplinary or enforcement action against any of their staff, consultants, parent and associated and subsidiary companies, agents, consortium and joint venture partners, sub-contractors and suppliers who cause or assist in any breach of any provision of this agreement.

Section 8 - Independent External Monitor/Monitors (IEM)

a) The Principal, will appoint a competent and credible IEM/Number of IEMs for the duration of this agreement from the panel of IEMs appointed in consultation with the Central Vigilance Commission (CVC).

b) The IEM will assess, on an independent and objective basis, the extent to which the Parties comply with their obligations under this agreement.

c) The Parties will, after submission of a tender; after the award of any contract to them and for the duration of the contract:

i) Allow the IEM unrestricted access to all books, records and staff relevant to such tender;

ii) Ensure that the IEM has unrestricted access to the relevant books, records and staff of their consultants, parent and associated and subsidiary companies, agents, consortium and joint venture partners, sub-contractors and suppliers.

d) In the event that the IEM believes that there is prima facie evidence that there is a violation of this agreement, the IEM will report the same to CEO of the Principal.

e) Upon receipt of a report from the IEM, CEO of the Principal and the Board will discuss and try to agree upon the appropriate action to be taken in line with sections 3, 4 & 5 above to deal with such violation.

f) The IEM has no power to inquire any of the Parties to undertake any actions. No statement by the IEM, whether oral or in writing, is binding on any of the parties. Any Party in legal or dispute resolution proceedings can use all reports and other documentation issued by the IEM. The IEM can be called as a witness in legal or dispute resolution proceedings.

g) Fee and/or any other incidental expenses including traveling/conveyance expenses, if any, payable to IEM shall be borne by the Principal.

h) The IEM can only be removed from his appointment, if:

1. All parties agree in writing to remove him: or
2. He resigns: or
3. He is removed from his office by order of a Court having appropriate jurisdiction.

  i) On completion of the term by the IEM or if the IEM is removed from his appointment or in case of death of IEM (whichever is earlier), the Principal will appoint another IEM as per section 8.a) above for the remaining duration of this agreement.

**Section 9 - Duration of Agreement**

a) This agreement comes into force as soon as it has been signed by all the Parties have signed it. It cannot be terminated or varied except by the written agreement of all the Parties.

b) This agreement will expire after 12 months from the date of last payment under the respective Contract for the Contractor, and for all other Tenderers 6 months after the award of the Contract.

**Section 10 - Other Provisions**

a) The Principal will disqualify from the tender process all Tenderers who do not sign this Pact or violate its provisions.

b) Should any occasion arise entailing IEM to undertake any investigation under the provisions of this agreement, the venue for such investigation shall generally be at KIOCL Corporate Office, Koramangala, Bangalore –560 034.

c) This agreement is subject to Indian law. Place of performance and jurisdiction is the corporate office of the Principal. In case of any dispute, the courts at Bangalore only shall have jurisdiction.

d) Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.

e) Addresses along with other relevant details of the Chief Executives of the Parties are as given under;
KIOCL LIMITED
SETTING UP OF A 1.5 mtpa CAPACITY PELLET PLANT ON TOTAL TURNKEY BASIS AT BOKARO STEEL PLANT PREMISES OF M/S SAIL, BOKARO, JHARKHAND, INDIA
NOTICE INVITING TENDER (NIT)

<table>
<thead>
<tr>
<th>1. Principal:</th>
<th>Tel: 080-25531322(O)</th>
</tr>
</thead>
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<tr>
<td>Chairman-cum-Managing-Director, KIOCL Limited Il–Block, Koramangala, BANGALORE – 560 034 INDIA.</td>
<td>Fax: 080-25521584(O)</td>
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<tr>
<th>2. Tenderer / Contractor</th>
<th>Tel:</th>
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<tr>
<td>.........................................................</td>
<td></td>
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<tr>
<td>.........................................................</td>
<td>Mobile:</td>
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<td>.........................................................</td>
<td>Email:</td>
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<tr>
<td>.........................................................</td>
<td>Fax:</td>
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f) Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In that case the parties will strive to come to an agreement to their original intentions.

g) If the contractor is a partnership or consortium, all partners or consortium members must sign this agreement.

For the Principal For the Tenderer/ Contractor

Place…………………… Place……………………

Date ………………… Date …………………

Witness 1: ……………………… Witness 1: ………………………

(Name & address) (Name & address)

Witness 2: ……………………… Witness 2: ………………………

(Name & address) (Name & address)
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A. CONTRACT & INTERPRETATION

1.0 DEFINITIONS

1.1 The following words and expressions shall have the meanings hereby assigned to them:

“Contract” means the Contract Agreement entered into between the Owner and the Contractor, together with the Contract Documents referred to therein; they shall constitute the Contract, and the term “the Contract” shall in all such documents be construed accordingly.

“Contract Documents” means the documents listed in the Contract Agreement (including any amendments thereto).

“GCC” means the General Conditions of Contract.

“SCC” means the Special Conditions of Contract.

“Technical Specifications/Contract Technical Specifications” mean the technical specifications, schedules, detailed designs, statements of technical data, performance characteristics value and all other technical particulars of the Contract.

"Bidder" shall mean Individual/ Firm/ Company/ Corporation/ Consortium submitting a Bid against the Notice Inviting Bid (NIT) and shall include his/its/their heirs, executors, administrators, legal representatives, and successors. In this document, the words “Bidder” and “Bidder” have been used for the same purposes and carries the same meaning.

“GS” means the General Specifications.

“Day” means calendar day of the Gregorian Calendar.

“Month” means calendar month of the Gregorian Calendar.

“Owner” shall mean KIOCL Limited, having their registered office at II Block, Koramangala, Bangalore – 560 034, Karnataka, India (Fax No. 080-25535941 / 25532153, e-mail bgmcpts@kudreore.com, gmp-bpd@kudreore.com) and shall include its authorised representatives, successors and assigns. In this document, the words “Employer”, “Purchaser” and “Owner” have been used for the same purposes and carries the same meaning.

Engineer "shall mean the Engineering Officer appointed by the OWNER, including his duly authorized representative be in-charge of the works for the purpose of this Contract.

“Contractor” means the person(s) whose bid to perform the Contract has been accepted by the Owner and is named as such in the Contract Agreement, and includes the legal successors or permitted assigns of the
Contractor. In case Contract is with Consortium of two or more members then
the Contractor shall mean one or more members of Consortium as the case
may be.

“Contractor’s Representative” means any person nominated by the
Contractor and approved by the Owner in the manner provided in Sub-Clause
16.2 (Contractor’s Representative) hereof to perform the duties delegated by
the Contractor. For site work Contractor’s Representative shall also mean the
representative of Sub-Contractors and Sub-Contractor’s Sub-Contractors.

“Sub-Contractor”, including vendors, means any person to whom execution
of any part of the Facilities, including preparation of any design or supply of
any Plant and Equipment, is sub-Contracted directly or indirectly by the
Contractor, and includes its legal successors or permitted assigns.

“Contract Price” means the sum specified in the Contract Agreement,
subject to such additions and adjustments thereto or deductions there from,
as may be made pursuant to the Contract.

“Base Date” of the Contract for the purpose of variation in taxes and duties
shall be the date of submission of price bid.

“Facilities” mean the work specified in Clause 7 hereof, Technical
Specification, including General Technical Specification and all supply &
services to be carried out by the Contractor under the Contract.

“Plant and Equipment” means permanent plant, equipment, machinery and
things of all kinds to be provided and incorporated in the Facilities by the
Contractor under the Contract but does not include Contractor’s Equipment.

"Civil work Mobilisation" shall mean establishment of sufficiently adequate
infrastructure by the CONTRACTOR at 'site' comprising of construction
equipment, aids, tools and tackles including setting up of site offices with
facilities such as power, water, communication, batching plant, stores etc.
establishing manpower organization comprising Project Manager / Resident
Engineer/, Engineers, supervisory personnel and an adequate strength of
unskilled, semi-skilled and skilled workmen in order to commence the site
civil work at site(s) in accordance with the 'CONTRACT', duly certified by the
Owner.

"Erection Mobilisation" shall mean establishment of sufficiently adequate
infrastructure by the CONTRACTOR at 'site' comprising of construction
equipment, aids, tools and tackles including setting up of site offices with
facilities such as power, water, communication, site workshop, stores etc.
establishing manpower organization comprising Project Manager / Resident
Engineer/, Engineers, supervisory personnel and an adequate strength of
unskilled, semi-skilled and skilled workmen in order to commence the site
eraction work at site(s) in accordance with the 'CONTRACT', duly certified by the
Owner.
“Installation Services” or “Services” means all those services ancillary to the supply of the Plant and Equipment for the Facilities, to be provided by the Contractor under the Contract; e.g., design & engineering, supervision work, Customs & Port clearance, loading & unloading, dismantling & modification, intermediate storage, transportation and provision of marine or other similar insurance, inspection, expediting, site preparation works (including the provision and use of Contractor’s Equipment and the supply of all construction materials required), installation, testing, pre-commissioning, commissioning, demonstration of performance guarantee tests, the provision of operations and maintenance manuals, training, etc.

“Contractor’s Equipment” means all plant, equipment, machinery, tools, apparatus, appliances or things of every kind required in or for installation completion and maintenance of Facilities that are to be provided by the Contractor, but does not include Plant & Equipment, or other things intended to form or forming part of the Facilities.

“Site” means the land and other places upon which the Facilities are to be installed, and such other land or places as may be specified in the Contract as forming part of the Site.

“Effective Contract date” shall be the date of signing of the contract agreement.

“Time for Completion” means the time specified in the Contract Agreement within which Completion of the Facilities as a whole (or of a part of the Facilities where a separate Time for Completion of such part has been prescribed) is to be attained in accordance with the stipulations made in the Contract Agreement and the relevant provisions of the Contract. The Time for Completion is inclusive of monsoon period.

”Inspector” / “Inspecting Engineer” shall mean any person or firm nominated by or on behalf of the Owner or his duly authorised agent to inspect equipment, materials, supplies or work under the Contract.

“Pre-commissioning” means the checking, testing including conducting of integrated trial runs (cold integrated trial runs in case of Facilities involving operation at high temperature) and meeting other requirements specified in the Technical Specifications that are to be carried out by the Contractor in preparation for Commissioning as provided in Clause 23 (Preliminary Acceptance) hereof.

“Preliminary Acceptance” of the Facilities means that the Facilities have been completed operationally and structurally and put in a tight and clean condition, and that all work in respect of Pre-commissioning of the Facilities have been completed; in other words, that the Facilities are fit for Start-up & Commissioning and Preliminary Acceptance Certificate has been issued as provided in Clause 23 (Preliminary Acceptance) hereof.

“Program of Performance” shall mean the program submitted by the Contractor in accordance with clause 17.1.
“Preliminary Acceptance Certificate” means the Certificate to be issued by the Owner on successful completion of Preliminary Acceptance Tests.

“Commissioning” means operation of all necessary production facilities as individual as well as in an integrated manner (in their proper sequence) establishing hundred (100) percent of the rated capacity of the system as a whole, continuously for a period of seventy two (72) hours within a period of two (2) weeks of such commissioning test matching the specified input and output, quality and quantity parameters as set forth in the Contract Agreement.

“Commissioning Certificate” is the Certificate to be issued by the Owner as per Sub-Clause 24.3 hereof.

“Completion of the Facilities” means the Facilities have been completed and accepted when commissioned as per Clause 24 (Commissioning), Performance Guarantee parameters established as per Clause 26 and Final Acceptance certificate issued as per Clause 27 hereof.

“Taking Over” means, on commissioning, the Owner shall be responsible for the care & custody of the Facilities together with the risk of loss or damage thereto, and shall thereafter take-over the Facilities.

“Performance Guarantee Test” means the test(s) specified in the Technical Specifications to be carried out to ascertain whether the Facilities are able to attain the Performance Guarantees specified in the Contract as per Clause 26 hereof.

“Performance Guarantee Certificate” means the Certificate to be issued by the Owner upon successful establishment of Performance Guarantee Parameters as specified in the NIT.

“Final Acceptance” means the acceptance by the Owner of the Facilities which certifies the Contractor’s fulfilment of the Contract in respect of Performance Guarantees of the Facilities in accordance with the provisions of Clause 26 hereof and completion of Defects Liability Period.

“Final Acceptance Certificate” is the Certificate to be issued by the Owner as per Clause 27 hereof.

“Defect Liability Period” means the period of validity of the warranties given by the Contractor commencing from the date of Commissioning of the Facilities, during which the Contractor is responsible for defects with respect to the Facilities as provided in Clause 29 (Defect Liability) hereof.
2.0 **CONTRACT DOCUMENTS**

2.1 The term Contract Documents shall mean and include the following, which shall be deemed to form an integral part of the Contract.

2.1.1 Notice Inviting Tender (NIT), Integrity Pact, price schedule (Annexure-IV of NIT), Special Conditions of Contract (SCC), General Conditions of Contract (GCC) for Indigenous Supplies, off-shore supplies and work and all other documents included in the Bid documents.

2.1.3 Contractor's bid proposal including the letters of clarifications between the Contractor and the Owner prior to the Award of Contract, to the extent they have been accepted by the Owner,

2.1.4 Any agreed variations to the conditions of the documents and specifications and Special Conditions of Contract, if any.

3.0 **INTERPRETATION**

3.1 **GENERAL**

3.1.1 The Special Conditions of Contract shall be read in conjunction with the Notice Inviting Tender (NIT), General Conditions of Contract (GCC), Drawings and/or other supplementary documents detailing the scope.

3.1.2 Provided that, where any provision of the General Conditions of Contract is repugnant to or at variance, unless a different intention appears, the provision of the NIT & Special Conditions of Contract shall be deemed to override the provisions of the General Conditions of Contract and shall to the extent of such repugnance or variation prevail.

3.1.3 **Language**

3.1.3.1 All correspondence and communications to be given and all other documentation to be prepared and supplied under the Contract shall be written in English, and the Contract shall be construed and interpreted in accordance with English language.

3.2 **SINGULAR AND PLURAL**

3.2.1 The singular shall include the plural and the plural the singular, except where the context otherwise requires.

3.2 **INCOTERMS**

3.2.1 Unless inconsistent with any provision of the Contract, the meaning of any trade term and the rights and obligations of parties thereunder shall be as prescribed by INCOTERMS 2010.
INCOTERMS means international rules for interpreting trade terms published by the International Chamber of Commerce (latest edition), 38 Course Albert 1er, 75008 Paris, France.

3.3 **AMENDMENT**

3.3.1 No amendment or other variation of the Contract shall be effective unless it is in writing, is dated, expressly refers to the Contract, and is signed by a duly authorised representative of each party hereto.

3.4 **CONTRACTOR**

3.4.1 The Contractor shall be an independent Entity performing the Contract. The Contract does not create any agency, partnership, joint venture or other joint relationship between the parties hereto.

3.4.2 Subject to the provisions of the Contract, the Contractor shall be solely responsible for the manner in which the Contract is performed.

3.4.3 All employees, representatives or Sub-Contractors engaged by the Contractor in connection with the performance of the Contract shall be under the complete control & supervision of the Contractor and shall not be deemed to be employees of the Owner, and nothing contained in the Contract or in any Sub-Contract awarded by the Contractor shall be construed to create any Contractual relationship between any such employees, representatives or Sub-Contractors and the Owner.

4.0 **NOTICES**

4.1 Unless otherwise stated in the Contract, all notices to be given under the Contract shall be in writing, and shall be sent by personal delivery, post / airmail post, special courier, telefax, email to the address of the relevant party with the following provisions.

4.1.1 Any notice sent by telefax, email shall be confirmed within two (2) days after dispatch by notice sent by airmail post or special courier, except as otherwise specified in the Contract.

4.1.2 Either party may change its postal, telefax, email address or addressee for receipt of such notices by 10 (ten) days’ notice to the other party in writing.

4.2 Notices shall be deemed to include any approvals, consents, instructions, orders and certificates to be given under the Contract.
5.0 **GOVERNING LAW**

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

6.0 **SETTLEMENT OF DISPUTES**

6.1 SETTLEMENT OF DISPUTES

6.1.1 Except as otherwise specifically provided in the Contract all disputes concerning questions of facts arising under the Contract shall be decided by the Engineer subject to a written appeal by the Contractor to the Engineer, whose decision shall be final to the parties hereto.

6.1.2 Any disputes or differences including those considered as such by only one of the parties arising out of or in connection with the Contract shall be to the extent possible settled amicably between the parties.

6.1.3 Only the courts in Bangalore shall have jurisdiction regarding the matters relating to this contract.

B. **SUBJECT MATTER OF CONTRACT**

7.0 **SCOPE OF FACILITIES**

7.1 SCOPE OF SUPPLIES AND SERVICES

7.1.1 The Contractor’s obligation covers Design, Engineering, supply/Procurement services, fabrication, manufacture, including refractories, transportation, insurance, inspection, testing, painting, marking, handling and storage of equipment & facilities (including indigenous & imported items, if any), essential spares, insurance, erection works, dismantling, levelling and modification/rerouting work of existing over ground and underground facilities as required, Assembly, erection, supervision, monitoring, testing, pre-commissioning, start-up and commissioning of all plant, equipment and facilities including the required auxiliary units, complete civil and structural work, electrical, instrumentation & controls & Demonstration and establishment of integrated performance guarantee of the 1.5 mtpa capacity Pellet Plant and its connected auxiliaries on total turnkey basis at Bokaro Steel Plant premises of SAIL Limited, at Bokaro, Jharkhand State in India.

7.1.2 The Contractor shall, unless specifically excluded in the Contract, perform all such work and / or supply all such items and materials not specifically mentioned in the Contract but that can be reasonably inferred from the Contract as being required for attaining Completion of the Facilities without any extra cost to Owner.
7.2 DESIGN, DRAWINGS & TECHNICAL DOCUMENTS

7.2.1 The Contractor shall be responsible for supply of all the design, drawings and technical documents & information in respect of the plant & equipment as per Clause 18 of SCC, commissioning items, and essential spares. The Contractor shall deliver the design, drawing, technical documents & information, to the Owner.

7.3 SUPPLY OF PLANT & EQUIPMENT, STRUCTURES, COMMISSIONING ITEMS, ESSENTIAL SPARES, INITIAL FILLS & LUBRICANTS AND SPECIAL TOOLS & TACKLES

7.3.1 Plant and Equipment

The Contractor shall be responsible for supply of plant & equipment including General Technical Specification and Drawings/documents.

7.3.1.1 The Contractor shall furnish a copy of the Orders/Contracts for all the bought-out items.

7.3.2 Commissioning Items

7.3.2.1 The Contractor shall, within the Contract Price, supply adequate commissioning items required during Start up and commissioning along with the plant & equipment mentioned in Clause 7.4.1, hereof.

7.3.2.2 Should the commissioning items found to be inadequate, the Contractor shall supply without any extra cost to the Owner, additional required commissioning items within the time schedule to ensure that the Facilities are commissioned.

7.3.2.3 Commissioning items alongwith essential spares shall be despatched along with the Plant & Equipment.

7.3.3 Operation & Maintenance Spares

7.3.3.1 Operation and Maintenance Spares for Two years

7.3.3.1a The Contractor shall furnish the list of spares as required for the normal operation and maintenance of the Facilities, for a period of two years which will be required after commissioning.

7.3.3.1b A list of such operation & maintenance spares along with their itemised prices shall be furnished by the Contractor.

7.3.3.1c The list of spares along with itemised price shall include such details as:

   a) Item number of equipment in Contract.
   b) Designation.
c) Number per item.
d) Materials indicating chemical composition and physical properties like fits and tolerances, finishes, heat treatment, etc.
e) Manufacturing drawing number/ordering specification number/ Vendor name & address.
f) Catalogue reference.

7.3.3.1d. The Contractor shall supply complete ordering specification including manufacturing drawings with bill of materials, material specification & catalogues with reference details and list of suppliers shall also form part of such ordering specification.

7.3.3.1e In case , during the life of the Facilities , after the expiry of guarantee period, which is 12 months from the date of commissioning, any spare(s) becomes obsolete or goes out of Contractor's production programme, the Contractor shall serve prior written notice of not less than six months to the Owner to that effect and furnish detailed manufacturing drawings to the Owner for such spares, if not already furnished. Contractor shall also ensure that the Owner is in a position to procure such spares in sufficient quantities at reasonable prices before these become obsolete or go out of production programme as stated above.

7.3.4 Initial Fill and Lubricants

7.3.4.1 The Contractor shall supply along with the Plant & Equipment the oils, grease & lubricants required for the initial fill well in advance, for commissioning of the Plant & Equipment.

7.3.4.2 The cost of such initial fill of oils including hydraulic oils, grease and other lubricants is included in the Contract Price. Should the oil, grease & lubricants found to be inadequate, the Contractor shall supply without any extra cost to the Owner, additional required oil, grease & lubricants, within the time schedule to ensure commissioning is not held-up. The un-used oil, grease & lubricants shall be the property of the Owner.

7.3.4.3 The Contractor shall be responsible for supply of adequate quantities of such oils, grease & lubricants as may be required for this purpose till commissioning as per Clause 23 hereof.

7.3.4.4 These oils, grease & lubricants should be preferably of Indian origin. In the case of imported oil, grease & lubricant, specification for the same shall be furnished by the Contractor for procurement in future.

7.3.4.5 The Contractor shall also furnish consumption rates of all the consumables along with estimated annual requirement and ordering specification for timely procurement by the Owner for future requirements.

7.3.5 Special Tools & Tackles

7.3.5.1 The Contractor shall supply along with the Plant & Equipment special tools & tackles, instruments and appliances which will be required for erection,
commissioning, operation and maintenance of the Facilities. The Contractor shall provide list of spares required for two years of normal operation along with the ordering specification including the names of suppliers giving sufficient details to enable the Owner to procure the required spares, special tools, tackle, instruments and appliances, at a later date when necessary, after successful commissioning.

7.3.5.2 Special tools and tackles and essential spares shall be despatched in the sequence that they arrive at the site prior to the commencement of start up operation, but not prior to supply of plant and equipment.

7.4 CIVIL ENGINEERING WORK

7.4.1 Unless otherwise expressly limited and/or excluded elsewhere in the Contract from Contractor's scope, the Contractor shall be responsible for the construction of all civil foundation for structures and equipment, construction of super structures, buildings and all other connected civil construction works included in the scope of work in accordance with Sub-Clause 18 hereof.

7.4.2 It is presumed that the Contractor has already inspected the site and satisfied itself about the actual site conditions and has collected any other information which may be required by the Contractor.

7.4.3 The Contractor shall be held responsible for proper performance for buildings and structures including all other civil work for a period of 12 months after commissioning of the Facilities. Any defect found during this period will be made good by the Contractor at its own cost failing which the Owner reserves the right to take remedial measures at the Contractor's risk and cost.

7.4.4 All excavated materials shall remain the property of the Owner.

7.4.4.1 All fossils, coins, articles of value of antiquity and structure and other remains or things of geological and archaeological interest discovered on the site of works shall be the absolute property of the Owner and the Contractor shall take all precautions to prevent his workmen or any other person removing or damaging any such article or thing and shall immediately upon discovery thereof and before removal inform the Owner of such discovery and carry out the removal under the supervision of the Owner of the same and hand it over to the Owner.

7.5 SCOPE OF WORK FOR ERECTION OF STRUCTURES, PLANT & EQUIPMENT

7.5.1 The scope of work of the Contractor amongst others shall be complete erection of the Plant and Equipment, steel structures, etc.,

7.5.2 The Contractor shall intimate the Owner in writing well in advance about the requirement of shut down of any of the existing units / facilities for inter-connection / incorporation of additional facilities. The shutdown period shall be mutually discussed and finalised. The work to be undertaken during the
shutdown period shall be planned meticulously by the Contractor to reduce the shut down period to the minimum.

7.5.3 The Contractor shall use permanent pipe and clamps scaffolding for working at heights.

7.6 TECHNICAL SERVICES

7.6.1 Technical Services to be provided by the Contractor shall include the following amongst others:

(a) Raw material testing, if necessary.
(b) Basic design, layout, engineering & drawings.
(c) Detailed design, layout, engineering & drawings.
(d) Drawings / data for carrying out Plant Engineering and detailed design/drawings of civil, structural and services.
(e) Technical services relating to planning, procurement, manufacturing, inspection, expediting, packing, shipping, transportation, storage, etc.
(f) Supervision of civil & structural engineering work & erection work including specialised erection services.
(g) Technical consultation / liaison / guidance relating to detail design and plant engineering by Contractor's Sub-Contractors, Coordination relating to site work and other engineering work, feedback data and information to the Owner for the Contractor's scope of supply and services.
(h) Project Management Services including co-ordination relating to customs clearance, transportation, insurance, claim settlement, inspection of supplies, construction planning and scheduling, erection planning, field construction engineering, trial runs, start up, commissioning and performance guarantee tests.
(i) Training of Owner's Personnel.
(j) Deputation of Foreign Experts for supervision of design and manufacture of Plant and Equipment as well as for supervision of erection, cold tests, commissioning, guarantee tests, etc.
(k) Quality control and adherence to time schedule, control of site work and other Indian works.
(l) Clearance of installations from the statutory and other concerned authorities on behalf of Owner. The Contractor shall also assist in preparing application forms, providing necessary drawings, documents,
test certificates etc., including necessary co-ordination with statutory and other concerned authorities.

(m) Post commissioning services in accordance with terms and conditions stipulated under the Contract.

7.7 TRAINING OF OWNER'S PERSONNEL

Subject to stipulations of the Contract, the Contractor shall arrange for training in India & abroad of the Owner's personnel for operation, maintenance and other services of the facilities under the Contractor's scope of supply. The Contractor shall furnish the details of the training to be provided to the Owner's personnel for the approval of the Owner. Owner may indicate the field of training and man-days to the Contractor for compliance.

7.7.1 The travelling and living expenses of the Owner's trainees shall be borne by the Owner. The Owner shall also arrange necessary travel documents for its trainees. The Contractor shall, however, assist in arranging visa and medical insurance for such trainees, wherever necessary.

7.8 DEPUTATION OF FOREIGN EXPERTS, IF APPLICABLE, FOR SUPERVISION OF ERECTION, COMMISSIONING & PERFORMANCE GUARANTEE TESTS.

7.8.1 The Contractor shall depute at site its Foreign Experts to supervise the erection, commissioning and conducting of performance guarantee tests of the Plant & Equipment with its auxiliaries as contracted herein so as to establish to the Owner that the guarantees as agreed by the Contractor in accordance with the Contract Agreement, are fully met.

7.8.2 Bio-data of the Foreign Engineers / Experts shall be furnished by the Contractor to the Owner for approval sufficiently in advance before their deputation. The Contractor shall obtain at its own cost, necessary work permits, passports, visas, police permits and expenses for customs duty related to personal and other effects of any Experts / personnel who are non-residents of India, employed or engaged by him for work.

7.8.3 The Contractor further guarantees that, in case the number of mandays for foreign Experts actually utilised exceeds the quantum indicated in the Contract Agreement, such additional Foreign Experts mandays shall be deputed by the Contractor for completing its scope of work, but no extra payment for deputing such extra mandays shall be payable by the Owner unless additional deputation is required for the reasons attributable to the Owner.

7.8.4 If some of the Experts deputed for supervision of erection, commissioning and Performance Guarantee Tests are required by the Owner beyond the Final Acceptance of the Facilities (Post commissioning services) after fulfilment of all the Contractual obligations by the Contractor, the Contractor shall provide such services in accordance with the terms and rates stipulated
in the Contract or to be mutually agreed upon between the Owner and the Contractor if not already provided for in the Contract.

7.8.5 All the facilities required by the Overseas Experts / Specialists, deputed for supervision of erection, commissioning, performance guarantee tests, etc., shall be provided by the Contractor to the Overseas Experts/Specialists.

7.8.6 In the event, Expert is not found of required skill / expertise, then the Owner will have the right to send the Expert back at the cost of the Contractor.

7.8.7 The Contractor shall bear and pay all the cost / expenses for deputation of foreign experts required as per Contract including all costs/expenses towards remuneration, air travels from their Country to India / at site and back to their country as well as any other places to be visited in connection with the supervision of design & manufacture of Plant & Equipment, surface travel, local transport, accommodations, food & incidentals, communication system, medical, insurance, personal Indian Income Tax, etc.

7.9 DEMONSTRATION OF PERFORMANCE GUARANTEE

7.9.1 The Contractor guarantees the equipment for its workmanship, materials, design and satisfactory performance in accordance with the relevant specifications & provisions of this Contract. The guarantee for performance includes individual items and systems for the ratings /output/quality as well as for the integrated operation of the Plant. The Contractor’s responsibility under this guarantee shall not in any way be reduced, diminished or absolved for any reason whatsoever in respect of supplies, materials and equipment not manufactured by the Contractor. The Contractor, upon successful commissioning of each equipment /system will conduct performance guarantee tests to demonstrate the integrated operation of all equipment / systems.

7.9.2 The details of the performance guarantee tests, test procedures, test schedules, for the demonstration of the performance guarantees shall be submitted to the Owner which will be mutually agreed upon. Any subsequent deviation / modification in the agreed schedule, if considered necessary, at a later date shall be mutually discussed and agreed upon.

7.9.3 After commencing a test, it shall be completed unless in the opinion of either Owner or Contractor a safety hazard exists which necessitates shutdown.

7.9.4 The Contractor shall undertake to demonstrate the Performance Guarantee Tests and achieve the guaranteed production capacity in a sustained manner and also the other parameters as per the NIT/Contract Agreement.
8.0 **TIME FOR COMPLETION**

8.1 The Contractor shall attain Completion of the Facilities in all respects within the time stated in the Notice Inviting Tender (NIT).

PERT Network shall be updated by the Successful bidder every month and shall be submitted to OWNER along with the Monthly Progress Report.

9.0 **CONTRACTOR’S RESPONSIBILITIES**

9.1 The Contractor shall carryout the entire scope of supplies and services as specified in Clause-7 hereof covering Design, Engineering, supply/Procurement services, fabrication, manufacture, including refractories, transportation, insurance, inspection, testing, painting, marking, handling and storage of equipment & facilities (including indigenous & imported items, if any), essential spares, insurance, erection works, dismantling, levelling and modification/rerouting work of existing over ground and underground facilities as required, Assembly, erection, supervision, monitoring, testing, pre-commissioning, start-up and commissioning of all plant, equipment and facilities including the required auxiliary units, complete civil and structural work, electrical, instrumentation & controls & Demonstration and establishment of integrated performance guarantee of the 1.5 mtpa capacity Pellet Plant and its connected auxiliaries on total turnkey basis at Bokaro Steel Plant premises of SAIL Limited, at Bokaro, Jharkhand State in India with due care and diligence in accordance with the Contract.

9.2 The Contractor shall be deemed to have entered into the Contract on the basis of a proper examination of the data relating to the Facilities provided by the Owner, and on the basis of information that the Contractor could have obtained from a visual inspection of the Site and of other data readily available to it relating to the Facilities prior to bid submission. The Contractor acknowledges that any failure to acquaint itself with all such data and information shall not relieve its responsibility for properly estimating the difficulty or cost of successfully performing the Facilities. The Contractor shall satisfy himself regarding the accessibility to site by existing roads, feasibility of taking materials / equipment to site and availability of Labour and local conditions.

9.3 The Contractor shall at its own expenses obtain all permits and licences from Indian and Foreign Government required for the performance of work under this Contract and the Contractor shall bear any fee payable to the Government or local licensing authority for obtaining permits and licences at their own cost (except where the Owner is statutorily required as per Indian laws, rules, statutory notifications to pay the fees and/or file applications for the permits/licences in which case the Contractor shall render assistance to the Owner). The Contractor shall perform the work in accordance with the conditions of all applicable permits and licence. The Contractor shall provide evidence of licence granted and any restriction contained therein. The necessary Statutory Fees for such permits, approvals and / or licenses payable by the Contractor, are included in the Contract Price.
9.4 The Contractor shall comply with the Indian Laws that may be in vogue as on Base Date of the Contract or may come into force during currency of the Contract, that binds upon the Contractor. The Contractor shall indemnify and hold harmless the Owner from and against any and all liabilities, damages, claims, fines, penalties and expenses of whatever nature arising or resulting from the violation of such laws by the Contractor or its personnel, including the Sub-Contractors and their personnel.

10.0 OWNERS’ RESPONSIBILITIES

10.1 The Owner shall ensure the accuracy of information and/or data to be supplied by the Owner, except when otherwise expressly stated in the Contract.

10.2 The Owner shall be responsible for acquiring and providing physical possession of the Site and access thereto, and for providing possession of and access to all other areas reasonably required for the proper execution of the Contract, including all requisite rights of way. The Owner shall give full possession of land accord all rights of access thereto on or before the mutually agreed date(s).

10.3 To the extent specified in the Contract or agreed upon by the Owner and the Contractor, the Owner shall provide to the Contractor, properly qualified operating & maintenance personnel; shall supply & make available raw materials & utilities for this package and shall perform work and services as agreed in the contract for properly carrying out pre-commissioning, commissioning and performance guarantee tests by the Contractor at or before the time specified in the Program of Performance hereof and in the manner thereupon specified or as otherwise agreed upon by the Owner and the Contractor.

10.4 The Owner shall be responsible for the continued operation of the Facilities after Commissioning and shall facilitate the Contractor in performing the Performance Guarantee Test(s) for the Facilities.

C. PAYMENT

11.0 CONTRACT PRICE

11.1 The Contract Price shall be for the entire Scope of work covering all supplies and services including commissioning and essential spares, oils, grease, lubricants etc required during Start up and Commissioning and scrap in any form generated inside the plant premises.
11.2. PRICE BASIS

11.2.1 The Contract shall be executed on turnkey basis and the prices shall remain firm and binding without any escalation whatsoever irrespective of any variation in quantities. The Bidders are requested to quote prices for the entire scope of work for which the Bids are invited. Bids should follow the price schedule format enclosed.

11.2.1 Income Tax deduction as applicable shall be deducted at source.

11.2.2 Percentage of Excise duty, Sales tax, taxes, levies and duties etc. considered in the offer shall be indicated separately item wise by the contractor, along with billing schedule.

11.2.3 Erection and Commissioning: The erection prices shall include receipt, unloading, safe storage, handling charges at site, storage cum erection, insurance as per various clauses of the Contract, testing, commissioning, supply of all required consumables, supply of required Cable glands, Lugs, ties, termination kits, bolt and nuts, steel, Welding material etc. required for erection and commissioning. Erection price also includes necessary civil works, supply, fabrication of steel and structure required as per the scope of work.

11.2.4 The Contract Price includes price towards supervision by Foreign Experts, if any.

11.2.5 The prices for imported supplies shall include the prices towards ocean freight, Customs & Port clearances, handling including loading & unloading, inland freight & insurance up to plant site. The prices for indigenous supplies for which prices are quoted in Indian Rupees, are for delivery at plant site basis.

11.2.6 As per provisions of VAT Act, TDS towards VAT will be deducted on the value of civil work, erection of plant & equipment, structures and fabrication of structures at site from the running account bills of the Contractor.

11.2.7 In case power is made available by the Owner for workshops, fabricating units, manufacturing units and labour camps the same will be metered and the contractor shall pay the charges at the rates as applicable to KIOCL by / Bokaro Steel Plant / Jharkhand State Electricity Board (JSEB). The Contractor shall also arrange to procure the meter duly tested by recognized Government Laboratory and approved by the Owner and shall install and maintain the same at his own cost.

The contractor shall obtain the approval of the Engineer for installation of machinery, construction of buildings and electric power supply connection to them. The contractor shall be responsible for any defect therein. Any defects pointed out by the Engineer in the distribution system shall be rectified forthwith to the satisfaction of Engineer by the Contractor. The Contractor shall make necessary contingency arrangements in case of power failure.
11.2.8 The Contractor shall at his own expenses, lay and maintain the pipelines for the water required for construction purpose (including drinking water) for the work covered under the scope of the contract from the point of supply at battery limit to his work site with suitable connections, storage reservoir, etc. as may be necessary. The water for above purposes will be supplied on chargeable basis by the Owner from the existing construction water main at one point as decided by the Owner on a written request from the contractor indicating his requirements. The contractor shall ensure avoidance of misuse or wastage of water, make adequate arrangements for storage and regulate supply and if necessary make temporary arrangements for requirement of water.

On account of Owner supplying construction water, the Owner would be charging and deducting from the Contractor’s monthly running bills.

11.3 BILLING AND DESPATCH SCHEDULE

11.3.1 The Contractor within 30 (thirty) days of the Effective Date of the Contract shall submit detailed Billing Schedules (breakup of the Price Schedule) for the purpose of release of progress payments, which will be scrutinised and approved by the Owner. The detailed Billing Schedules shall be based on Time Schedule to the Contract Agreement and PERT network as per Sub-Clause 16.1.1 hereof, for respective progress payment terms.

11.3.2 Within 4 (four) months from the Effective Date of Contract, a detailed shipping schedule matching to billing schedule & time schedule, shall be submitted by the Contractor, indicating the break-up of the complete Plant & Equipment, structures into shipment units with approximate weights and dimensions and the respective dates upon which such units will be dispatched from the Contractor's and / or its Sub-Contractor's works. The Contractor shall arrange for supplies of the Plant & Equipment, structures in the logical sequence required for erection at site within the overall Time for Completion of the Facilities unless otherwise agreed to by the Owner. The Contractor shall promptly give written notice to the Owner of any anticipated delay in maintaining such schedule stating reasons and remedial measures, thereof. This shall not, however, in any way absolve the Contractor from his responsibility of timely delivery of plant & equipment as per Contractual time schedule.

12.0 TERMS OF PAYMENT

12.1 GENERAL

The payment to the Contractor, as specified in NIT (Terms of Payment) for the performance of the works under the Contract, will be made by the Owner as per the conditions specified herein. All payments made during the Contract shall be on account payments only. The final payment will be made on completion of all the works and on fulfilment by the Contractor of all his liabilities under the Contract.
Notes:
(1) Payment of Running Bills: Payment for all works done by the Contractor shall be made on the basis of the measurements recorded in the measurement sheets/books in the pro-forma prescribed by the Owner. Based on the measurements as accepted by the Owner or his representative such bills, after presentation, will be passed by the Owner or his representative after making deductions towards statutory deductions etc, and payment will be made within 30 days.

(2) Final payment for the work shall be released only after certification by the Owner on satisfactory completion and performance of the Contract in all respects in the prescribed form by the Contractor and upon return in good condition of any documents, drawings, samples, materials and other property belonging to the Owner, returnable as per the Contract and on compliance of all other clearance or requirement as per the Contract.

12.2 CURRENCY OF PAYMENT

All payments under the Contract as per currency indicated in the Contract.

12.3 DEDUCTION OF INCOME TAX AND OTHER LEVIES

The payment due on receipt of equipment and materials, and those for the erection and construction portion of the works shall be made after deduction of Income Tax and other levies as applicable.

12.4 INTERIM/ PROGRESS PAYMENTS

All interim/ progress payments shall be regarded as payments by way of advance against the final payment only and not as payment for work completed and shall not preclude defective/ imperfect/ incomplete facilities to be removed. It will not be considered as an admission by the Owner of the due performance of the Contract, or any part thereof by the Contractor nor shall it preclude, determine or affect in any way the powers of the Owner under these conditions or in any way vary or affect the Contract.

12.5 The Contractor shall furnish the detailed Billing Schedule as per Sub- Clause 11.3.1 hereof, for each item under the scope of work of the Contract, for the approval of Owner, which after the approval only, will be the basis for submission of invoices for progress payments.

13.0 TAXES & DUTIES

13.1 TAXES & DUTIES

Except as otherwise specifically provided in the Contract, the Contractor shall bear and pay all taxes, duties, levies and charges assessed on the Contractor, its Sub-Contractors or their employees by Municipal, State or Central Government Authorities. However, subject to stipulations of the Contract, the payment of duties, taxes, levies, etc., will be reimbursed (on actual) against documentary evidence to be produced by the Contractor,
subject to a ceiling indicated in price schedule(s) of the Contract. In no case the reimbursement towards duties and taxes, etc., shall exceed the amount indicated in price schedule(s) of the Contract towards duties, taxes, levies, etc. except on account of statutory variation in Taxes & Duties and/or imposition of new taxes and duties from the Base Date.

All taxes & duties payable outside India in respect of performance of the Contract shall be borne & paid by the Contractor. The Owner shall have no liability whatsoever on this account.

13.1.1 If desired by the Contractor, KIOCL shall issue Form “C” to avail concessional rate.

13.1.2 All custom duties, excise duties, sales taxes and other levies payable by the Contractor in respect of the transaction between the Contractor and his vendors/sub suppliers while procuring any component, sub-assemblies, raw materials and equipments shall be included in the Bid price and no claim on this behalf will be entertained by the Owner.

13.1.3 Obligations of the Owner/Contractor towards reimbursement of statutory variations in taxes and duties are as follows:

13.1.3.1 The Contract Price for materials is inclusive of prevailing excise duty for such materials. The rates of excise duty included in the Price are based on those mentioned by the Contractor as prevalent on base date. Reimbursement of excise duty in excess of prevailing rates on indigenous materials arising out of statutory variation within Contractual delivery/ execution period based on agreed bar chart as per Contract after the base date will be made by the Owner.

13.1.3.2 Similarly, if the excise duty on materials is reduced below the prevailing rates, the Owner shall be entitled to get refund from the Contractor.

13.1.3.3 For claiming such statutory variation in excise duty, the Contractor shall provide the Owner original of gate pass duly countersigned by Excise Authorities or excisable invoice along with the documentary evidence showing the rate of excise duty prevailing on the base date and date of claim.

13.1.3.4 In addition, the Contractor shall furnish his statutory auditor’s certificate to the effect that no refund of excise duty has been obtained/ claimed by him and that no reduction has taken place in the excise duty. In case, any refund is obtained in future by the Contractor, the same shall be passed on to the Owner.

13.1.8 The Owner shall reimburse statutory variation in excise duty beyond the base date only in respect of finished items/equipment supplied to the Owner as per billing schedule submitted by the Contractor as per conditions of the Contract approved by the Owner. The Owner shall not be liable to reimburse excise duty variation on components, assemblies, intermediate products etc.
13.1.9 The Contract Price shall be inclusive of Central sales tax @ 2% (or as applicable) for supply of finished materials. Reimbursement of central sales tax in excess of specified rate 2% or as applicable on the aforesaid goods arising out of statutory variations within the Contractual delivery/execution period based on agreed bar chart as per the Contract after the base date will be made by the Owner, subject to Contractor's furnishing documentary evidence. The Owner shall issue necessary sales tax declaration Form "C" for this purpose to Contractor once in each financial year. Reimbursement of CST above 2% (specified rate) due to statutory variation will be limited to only finished materials supplied by the Contractor and his Sub-Contractors directly to the Owner.

Reimbursement of additional amount of sales tax arising out of statutory variations within the Contractual delivery/execution period as per agreed bar chart of the Contract after the base date will be made by the Owner subject to production of documentary evidence by the Contractor. Such reimbursement shall be restricted only to finished goods supplied by the Contractor and his Sub-Contractors directly to the Owner.

13.1.10 No variations in taxes and duties and other statutory levies except excise duty, sales tax and service tax is admissible.

13.1.11 Contract Price is also inclusive of applicable service tax and education cess.

13.1.12 Statutory variations due to imposition of new taxes and duties or withdrawal of existing taxes and duties by the Central or State Government as may be applicable on the supplies and services shall be to the Owner's account. The aforesaid variation shall be reimbursed/refunded by or to the Owner subject to production of relevant documentary evidence and will be limited within the Contractual delivery period/execution schedule.

13.1.13 The Contractor shall bear and pay all liabilities in respect of (a) non-observance of all legal formalities as per various statutory provisions and (b) statutory variations in all taxes and duties and imposition of new taxes and duties that may be imposed after the Contractual delivery/execution dates, as originally stipulated, in case the delivery dates are extended due to reasons attributable to the Contractor.

The Owner shall not be liable to pay any taxes and duties on the erection of Equipment. The Contractor shall be fully responsible to pay such taxes and duties to the concerned authorities directly.

13.2 The Contractor shall bear and pay Customs Duty & Counter Veiling Duty, Cess, and Additional Duty of Customs, if any, on imported plant & equipment for which prices indicated in the Contract are in Indian Rupees.

13.3 The personnel Income Tax of Overseas Contractor's experts, if payable, shall be paid by the Overseas Contractor's experts directly and the Owner shall neither be liable to pay the Income Tax nor for filing the tax return for Overseas Contractor's experts.
13.4 AVOIDANCE OF DOUBLE TAXATION

13.4.1 In case the Overseas Contractor becomes entitled to receive or receives any tax exemptions, reductions, allowances or privileges in the foreign country on account of taxes & duties paid by the Owner in India, on behalf of the Overseas Contractor for imported supplies & services or due to Avoidance of Double Taxation Treaty between Governments of Overseas Contractor’s Country & India then the same shall have to be reimbursed by the Overseas Contractor to the Owner.

13.4.2 A certificate from an independent Chartered Accountant stating information as given hereunder, shall be furnished by the Contractor to the Owner, as soon as possible:

i) Refund / Reimbursement due on account of tax paid by the Owner in India, where available under said treaty, has been claimed by the Contractor, and

ii) Refund / Reimbursement obtained, has been paid by the Contractor to the Owner.

13.4.3 The Overseas Contractor shall provide to the Owner expeditiously all details, information, clarifications & documents, to the extent that such disclosure is reasonable, as may be required to file the requisite return with the Indian Income Tax Authorities to permit the Owner to get the same assessed in the most economical manner as per the provisions of the Income Tax Act / Agreement for Avoidance of Double Taxation.

13.5 CENVAT

13.5.1 The Contractor shall submit all Documents required by the Owner to avail the CENVAT credit.

13.5.2 The Owner will issue way bills as required for despatch of materials to the Contractor on request. Advance intimation in this regard is to be given by the Contractor to the Owner. The Contractor shall comply with the requirement of relevant Sales Tax rules regarding utilization of the way bills and submission of the counter foils to the Owner. In case of failure to do so, the Contractor will be responsible for all consequential actions and penalties, if any.

13.6 VARIATIONS IN TAXES & DUTIES

13.6.1 For the purpose of the Contract, it is agreed that the ‘Contract Price’ specified in the NIT/ Contract Agreement is based on the taxes, duties, levies etc. and charges prevailing on Base date (hereinafter called “Tax” in this Sub- Clause 13.6 hereof). If any rate of tax is increased or decreased, a new tax is introduced, an existing tax is abolished, or any change in interpretation or application of any tax occurs in the course of the performance of Contract, which was or will be assessed on the Contractor, Sub-Contractors or their employees in connection with performance of the Contract, an adjustment of
the Contract Price shall be made as per Sub-Clauses 13.6.2 & 13.6.3, hereof, by addition to the Contract Price or deduction therefrom, as the case may be.

13.6.1.1 For all taxes & duties, the variations in the taxes, enactment of new taxes or abrogation of existing taxes, which takes place within the scheduled Contractual delivery / execution period shall be applicable. Whereas the variations in the taxes, enactment of new taxes or abrogation of existing taxes, which takes place during the extended period shall be applicable only if the reasons for delay is attributable to Owner.

13.6.2 The adjustment in the Contract Price towards variation in the taxes shall be made by the Owner on production of the documentary evidences by the Contractor.

13.6.3 The Contract Price shall be adjusted towards variations in taxes in respect of only finished equipment supplied by the Contractor to the Owner. No adjustment in the Contract price shall be made for variations in the taxes on raw-materials, parts, component / intermediate components, assemblies / sub-assemblies, etc.

13.7 SERVICE TAX & EDUCATION CESS

13.7.1 Service Tax and Education Cess shall be applicable as per prevalent rules. Invoices for all Taxable Input Services shall be made to “KIOCL Limited” for availing Service Tax & Education Cess Credit under relevant Rules and shall be furnished by the Contractor to the Owner for availing Service Tax & Education Cess credit.

13.7.2 The Contractor shall submit all other Documents required by the Owner to avail the Service Tax & Education Cess credit.

13.8 INCOME TAX

Any Indian Income Tax which Owner may be required to deduct by law or statute, shall be deducted at the source under Indian Income Tax Act on account of the Contractor. Owner shall provide the Contractor a certificate for such deduction of Tax. The Contractor shall indicate their Permanent Account Number with the relevant Income Tax Authority to Owner.

D. CONFIDENTIAL INFORMATION

14.0 COPYRIGHT

14.1 The copyrights in all drawings, documents and other materials containing data and information including drawings/ordering specifications / catalogues for fast wearing parts furnished by the Contractor to the Owner shall remain vested in the Contractor; however the Owner shall have the right to use all such drawings, documents and other material, data and information for execution of the Contract and operation and maintenance of the Facilities being subject of the Contract.
E. WORK EXECUTION

15.0 REPRESENTATIVES

15.1 ENGINEER

15.1.1 If the Engineer is not named in the Contract, then within fourteen (14) days of the Effective Date, the Owner shall notify the Contractor in writing the name of the Engineer. The Owner may from time to time appoint some other person as the Engineer in place of the person previously so appointed. The Engineer shall represent and act for the Owner at all times during the currency of the Contract. All notices, instructions, orders, certificates, approvals and all other communications under the Contract shall be given by the Engineer, except as herein otherwise provided.

15.2 CONTRACTOR’S REPRESENTATIVE

15.2.1 If the Contractor’s Representative is not named in the Contract, then within fourteen (14) days of the Effective Date, the Contractor shall appoint the Contractor’s Representative with the consent of Owner.

15.2.2 The Contractor shall not revoke the appointment of the Contractor’s Representative without the Owner’s prior written consent.

15.2.3 The Contractor’s Representative shall represent and act for the Contractor at all times during the currency of the Contract and shall give to the Engineer all the Contractor’s notices, instructions, information and all other communications under the Contract. All notices, instructions, information and all other communications given by the Owner or the Engineer to the Contractor under the Contract shall be given to the Contractor’s Representative or, in its absence, its deputy, except as herein otherwise provided. All notices, instructions, information and other communications given by the Contractor to the Owner under the Contract shall be given to the Engineer, except as herein otherwise provided.

15.2.4 The Owner may by notice to the Contractor object to any representative or person employed by the Contractor in the execution of the Contract who, in the reasonable opinion of the Owner, may behave inappropriately, may be incompetent or negligent, or may commit a serious breach of the Site regulations provided under Sub-Clause 20.3 hereof. The Contractor on receipt of such notice, shall remove such person from the Facilities. If any representative or person employed by the Contractor is removed in accordance with Sub-Clause 15.2.4 hereof, the Contractor shall promptly appoint a replacement.

15.3 CO-OPERATION WITH OTHER CONTRACTORS

15.3.1 The Contractor shall, upon written request from the Engineer, provide all relevant technical information to the other Contractors employed by the
Owner on or near the Site for any associated Plant & Equipment to enable the Owner to obtain the efficient & economical design of the associated Plant & Equipment. If required by the Contractor, the other contractors of the Owner will enter into a confidentiality agreement to ensure the technical information is not unlawfully disclosed.

15.3.2 The Contractor shall, upon written request from the Engineer, give all reasonable opportunities for carrying out the work to any other Contractors employed by the Owner on or near the Site and shall coordinate with the other Contractors for any interface activity under its Scope of Facilities.

15.3.3 The Contractor shall also so arrange to perform its work as to minimise, to the extent possible, interference with the work of other Contractors. The Engineer shall determine the resolution of any difference or conflict that may arise between the Contractor & other Contractors in regard to their work.

16.0 WORK PROGRAM

16.1 PROGRAM OF PERFORMANCE

16.1.1 Within four (4) weeks after the effective date of signing the Contract Agreement, the Contractor shall prepare and submit to the Engineer the Master PERT Network (Hard & soft) for the performance of the Contract, showing the sequence in which it proposes to design, manufacture, transport, assemble, install and pre-commission the Facilities, as well as the date by which the Contractor reasonably requires that the Owner shall have fulfilled its obligations under the Contract as per Clause 10 hereof, so as to enable the Contractor to execute the Contract in accordance with the programme and to achieve Acceptance of the Facilities in accordance with the Contract.

16.1.2 The Master PERT Network so submitted by the Contractor shall accord with the Time Schedule included in the Contract Agreement and any other dates and periods specified in the Contract.

16.1.3 The Engineer shall approve the Master PERT Network after scrutiny and discussions with the Contractor within two (2) weeks of submission of Master PERT Network. The Contractor shall submit finalised Master PERT Network in number of copies as required by the Owner.

16.1.4 Based on the finalised Master PERT Network as per Clause 16.1.3 hereof, the Contractor shall submit L-1, L-2 & L-3 Network for each unit of the Facilities progressively within six (6) to twelve (12) weeks from the Effective Date of the Contract. These Networks shall be approved by the Engineer within three (3) weeks of the submission.

16.1.5 The Contractor shall update and revise the finalised Master PERT Network as and when appropriate or when required by the Engineer, but without modification in the Times for Completion and shall submit all such revisions to the Engineer.
16.1.6 The Contractor shall intimate the Owner / Engineer, in writing well in advance, about the requirement of shut down of any of the existing Units / facilities for inter-connection / incorporation of additional units / facilities. The shutdown period shall be mutually discussed and finalised. The work to be undertaken round the clock during the shut down period shall be planned meticulously by the Contractor to reduce the shut down period to the minimum.

16.2 PROGRESS REPORT

16.2.1 The Contractor shall monitor progress of all the activities specified Program of Performance hereof, and submit to the Engineer/Owner a progress report along with Computerised Network Analysis Report every month.

16.2.2 The progress report shall be in a form acceptable to the Engineer and shall indicate:

(a) percentage completion achieved compared with the planned percentage completion for each activity; and

(b) where any activity is behind the program, giving comments and likely consequences and stating the corrective action being taken.

16.2.3 Progress Review Meeting Owner shall arrange progress review meeting periodically (not exceeding 3 months) to monitor the progress of the work. It will be mandatory on the part of the Leader of the Consortium to attend such meetings with their Consortium Members.

16.3 PROGRESS OF PERFORMANCE

16.3.1 If at any time the Contractor’s actual progress falls behind the Program of Performance hereof, or it becomes apparent that it will so fall behind, the Contractor shall, at the request of the Engineer/Consultant, prepare and submit to the Engineer a revised program, taking into account the prevailing circumstances, and shall notify the Engineer/Consultant of the steps being taken to expedite progress so as to attain Completion of the Facilities within the Time for Completion under Sub-Clause 8.1 (Time for Completion) hereof, any extension thereof entitled under Sub-Clause 41.1 (Extension of Time for Completion) hereof, or any extended period as may otherwise be agreed upon between the Owner and the Contractor.

16.3.2 The soft copies of work programs and Level - 2 & Level - 3 networks that are developed and updated periodically by the Contractor for monitoring the implementation of the Facilities shall be made available to the Owner and the Consultant, on a monthly basis, for their authorized use at three (3) locations. If a readymade software program for work programs and Level - 2 & Level - 3 networks is used by the Contractor the same will be made available to the Owner/ Consultant for their authorized use at the aforesaid three (3) locations.
16.4 **WORK PROCEDURES**

16.4.1 The Contract shall be executed in accordance with the Contract Documents including Appendices to the Contract Agreement and Annexure hereof.

16.4.2 The Contractor may execute the Contract in accordance with its own standard project execution plans and procedures to the extent that they do not conflict with provisions contained in the Contract.

16.5 **MANPOWER REQUIREMENT FOR OPERATION & MAINTENANCE OF FACILITIES**

16.5.1 The Contractor shall submit to the Owner within a reasonable period but not later than six (6) months from the Effective Date of the Contract, the recommended manpower requirement category wise and unit wise for the regular operation of the Facilities at the Guaranteed Production Capacity as per Contract. The manpower requirement shall include the requirement for the maintenance of the Facilities. The Contractor shall also submit job specifications for each category of personnel particularly in the critical positions to enable the Owner to deploy / recruit such personnel.

16.6 **TRAINING**

16.6.1 The Contractor shall identify the key positions and number of persons both in maintenance and operations department to be trained for efficient running of the plant.

16.6.2 The Contractor shall arrange for training of the personnel of the Owner, abroad / in India. The contractor shall indicate the required training programme and details of such programmes.

16.6.3 The Contractor shall submit Schedule for Training of personnel of the Owner within a reasonable period but not later than six (6) months from the Effective Date of Contract. The schedule shall be mutually agreed upon between the Owner and the Contractor.

16.6.4 The Contractor shall supply five (5) copies of Training Manuals, Instructions and other connected literature to the Owner in English Language. In addition, each trainee shall be provided the necessary manuals, literatures etc.

17.0 **SUB-CONTRACTING**

17.1 **ASSIGNMENT BY OWNER**

The Owner shall be free at all times and stages during the pendency of the Contract to assign any of its duties, responsibilities and rights under the Contract to any person or persons or organisation(s) and the Contractor shall accept such person(s) or organisation(s) as parties to the Contract in lieu of the Owner.
17.2 ASSIGNMENT/ SUBLETTING/ TRANSFER BY CONTRACTOR:

The Contractor shall not assign, sublet or transfer the whole or any part of the Contract or interest therein or benefit or advantage thereof in any manner whatsoever without the written approval of the Owner, other than for raw materials, for minor detail or any part of the plant for which makes are identified in the Contract. Suppliers of the equipment not identified in the Contract or any change in the identified suppliers shall be subject to approval by the Owner. The experience list of the equipment vendors under consideration by the Contractor for this Contract shall be furnished to the Owner for approval prior to procurement of all such items/ equipments. Approval for assignments/sub-letting if granted by the Owner, the same shall neither establish any contractual relationship between the Owner and the sub-Contractor/assignee nor shall relieve the Contractor from any obligation, duty or responsibility under the Contract. Any assignment as above without prior written approval of Owner shall be void. Further the Contractor cannot give back to back contracts or sublet the whole Contract.

For components/equipment procured by the Contractor for the purposes of the Contract, after obtaining the written approval of the Owner, the Contractor's purchase specifications and enquiries shall call for quality plans to be submitted by the suppliers along with their proposals. The quality plans called for from the Vendors shall set out during the various stages of manufacture and installation, the quality practices and procedures followed by the Vendor's quality control organisation, the relevant reference documents/standards used, acceptance level, inspection documentation raised, etc. Such quality plans of the successful vendor shall be discussed and finalised in consultation with the Owner and shall form a part of the purchase order/contract between the Contractor and the Vendor. Within three (3) weeks of the release of the same purchase order/contracts for such bought out items/components, a copy of the same without price details but together with detailed purchase specifications, quality plans and delivery conditions shall be furnished to the Owner by the Contractor.

17.3 The Contractor shall furnish to the Owner the list of makes for major items of supply and services and seek approval prior to the placement of order for such items and services. Any change/ addition in the vendor list duly approved by Owner shall require prior approval of the Owner. The Contractor may engage sub-contractors with the prior approval of Owner. Such approval, by the Owner for any of the Sub-Contractors / Vendors shall not relieve the Contractor from any of its obligations, duties or responsibilities under the Contract.

17.4 On the request of the Contractor, the Owner may make direct payment in respect of equipment supply / work to the Sub-Contractor / Vendor on certification by the Contractor.
18.0 DESIGN AND ENGINEERING

18.1 SPECIFICATIONS AND DRAWINGS

18.1.1 The Contractor shall execute the basic and detailed design and the engineering work in compliance with the provisions of the Contract, or where not so specified, in accordance with good engineering practice.

18.1.1.1 The Contractor shall be responsible for any discrepancies, errors or omissions in the specifications, drawings and other technical documents that it has prepared, whether such specifications, drawings and other documents have been approved by the Engineer / Consultant or not, provided that such discrepancies, errors or omissions are not because of inaccurate information furnished in writing to the Contractor by or on behalf of the Owner.

18.2 CODES AND STANDARDS

Wherever references are made in the Contract to codes and standards in accordance with which the Contract shall be executed, the edition or the revised version of such codes and standards current at the date of bid submission shall apply unless otherwise specified. During Contract execution, any changes in such codes and standards shall be applied after approval by the Engineer / Consultant & shall be treated in accordance with Clause 40 hereof.

18.3 CONTRACTOR'S DRAWINGS, DOCUMENTS AND MANUALS

18.3.1 Contractor to Submit Drawings, Documents & Manuals

18.3.1.1 The Contractor shall submit to the Engineer and the Owner free of cost for approval or for information and use requisite number of hard copy prints and soft copies in accordance with clauses 18.7 to 18.9 hereof of all drawings, documents, design and other calculations, data, specifications, details, bill of materials, installation drawings, manuals etc. pertaining to the Work which shall include but not be limited to those coming under clauses 18.5 & 18.6 hereof. These drawings and documents shall be submitted by the Contractor in accordance with the time schedule agreed upon during the finalization of the contract.

18.3.1.2 For standard, bought out and proprietary items, the scope may not include calculations, detail designs, manufacturing drawings, bills of materials etc., but, for these items, necessary technical purchase/order specification for spare parts shall be made available to the Owner by the Contractor.

18.3.1.3 The Contract specifications and drawings shall be co-ordinated by the Contractor in such a manner that any work shown on the drawings but not specified, or specified but not shown on the drawings, is done without extra charge to the Owner. Unless such work is specifically
exempted in the Contract, it is to be executed as if fully specified and shown in the drawings.

18.3.1.4 All drawings/prints shall bear a stamp at a prominent place indicating whether the drawings are preliminary, or submitted for approval or certified as final or submitted for information and use. Drawings supplied by the Contractor shall bear the date and signature of a responsible person of the Contractor.

18.3.1.5 The Contractor shall furnish to the Owner/Engineer those specific drawings and any other details/ information as requested by Owner/engineer. Should the Contractor require any clarification regarding submission of drawings, the Contractor may contact the Engineer.

18.4 DRAWING FORMAT AND OTHER PARTICULARS

18.4.1 All drawings and documents supplied by the Contractor shall be dimensioned in the metric system. Titles and written notations on all designs, drawings, documents, manuals etc. shall be in English and shall be as per KIOCL Standard Name Plates.

18.4.2 Designs/drawings shall be prepared by the Contractor on AUTOCAD 2000 (minimum), whereas documents shall be prepared on MS Office 2003 compatible format with proper file numbers for easy co-relation. All hard copy prints of drawings/documents shall be distinct and clearly readable. The drawings shall be prepared using drafting software of the following file extensions:

.DWG for vector drawings and .TIF for raster drawings (Scanned).

18.4.3 Drawings to be supplied by the Contractor shall be drawn to a reasonable scale and sizes of drawings shall be as per ISO/DIN standard. Lettering on drawings shall be in capital letters and sufficiently large so as to be clearly legible. Design drawings shall be oriented to match the layout and plant arrangement drawings and shall have a key plan identifying the location or area of Work to which it apply. Layout and general arrangement drawings shall be made with the north arrow pointing to the top of the sheet. Reference notes as required should be incorporated on the drawings to permit a proper understanding of the drawings as well as to identify such drawings, which are cross-referenced to each other.

18.4.4 Bill of Materials: Bill of materials shall be submitted along with the drawings to which they pertain and shall include listing of materials being manufactured and supplied showing its piece mark, quantity, weight, dimension, description and reference drawing numbers. Drawings and bill of materials shall show take-off quantities of all materials required for the Work. Billing of materials shall be such that the Owner will be able to identify and purchase any replacement and/or spares if so needed by him. Drawings and bill of materials, if submitted separately, shall be cross-referenced for easy identification.
Packing lists described in the relevant clause of the Special Conditions of Contract must have the same identifications as shown on the applicable bill of materials.

18.4.5 In case the Contractor wants to use for the Contract, some of his standard drawings or technical documentation for standard, bought out and proprietary items not specifically designed for the Contract, such standard drawings or technical documentation shall identify the specific items under the Contract to clearly distinguish these from information pertaining to other items which may be contained on the same drawings. Use of standard drawings shall be however reduced to its minimum by the Contractor.

18.4.6 The Contractor shall prepare and furnish drawings exclusively for the Contract. If standard drawings of the Contractor are submitted in accordance with clause 19.4.5 hereof; such drawings shall bear a reference to the present Contract only. Reference pertaining to other contracts/orders entered into with other parties shall not appear in the drawings submitted to the Owner/the Engineer.

18.4.7 When a drawing is revised by the Contractor, every change made shall be identified on the drawing by circling the changes made and placing the revision number in a small triangle so as to be easily recognizable. When a subsequent revision is made, the circles made for the previous revision shall be erased and the current changes circled. However, all revision numbers in the small triangle shall be retained. In addition, a record of revisions, along with the co-ordinates showing the location of revisions shall be indicated at the left-hand bottom corner of the drawing. In case of revision of a drawing, for which a different number is allotted, the new drawing shall clearly indicate the number of the drawing which it supersedes.

18.5 DRAWING / DOCUMENTS FOR APPROVAL

18.5.1 The Contractor shall submit the various drawings and documents to the Owner / Engineer / Owner’s Consultant for approval.

18.6 DRAWINGS / DOCUMENTS FOR INFORMATION / REVIEW

18.6.1 The Contractor shall submit to the Owner / Engineer / Consultant for information / review and comments of the drawings and documents.

18.7 SUBMITTAL AND APPROVAL OF DRAWINGS

18.7.1 For all “Approval” category drawings/documents, the Contractor shall initially submit four (4) hard copy prints of drawing or document plus one soft copy of AutoCad drawings in CD to the Engineer and two (2) hard copy prints of the same plus one soft copy in CD to the Owner. Approval or otherwise of the Contractor's drawings and documents will be mailed by the Engineer normally within fourteen (14) working days
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of the receipt of drawings and documents. In case, a delay is anticipated, the Contractor will be notified. The Contractor shall submit drawings and documents to the Owner/the Engineer requiring his approval sequentially singly or in small bunches so as to prevent large accumulation of drawings/documents delaying approval procedure. This aspect shall be taken into consideration by the Contractor while preparing the time schedule for submission of drawings for Engineer’s approval.

18.7.2 If the drawing or document is approved, one (1) hard copy print with ‘APPROVED’ mark will be returned to the Contractor by the Engineer for record. If the drawing or document is ‘NOT APPROVED’ or ‘APPROVED AS NOTED’, one marked up print with appropriate comments will be returned to the Contractor by the Engineer for correction and re-submission. The Contractor shall, in all above cases, within a maximum period of fourteen (14) days from the receipt of the drawing or document with the Engineer’s comments, re-submit four (4) hard copy prints plus one soft copy of AutoCAD drawings in CD to the Engineer and two (2) hard copy prints plus one soft copy in CD to the Purchaser of the corrected drawing or document incorporating the comments made by the Engineer. This procedure shall be repeated till such time the drawing or document is approved.

On approval, the Contractor shall further submit the approved drawing or document in four (4) hard copy prints plus two (2) sets of soft copies AutoCAD drawings in CDs to the Engineer and in two (2) hard copy prints plus two (2) sets of soft copies in CDs to the Owner for further use. The Contractor shall strictly follow the approved drawings or document and shall not depart from them in anyway whatsoever, without the written permission of the Owner. Fabrication or procurement, if any, without approved drawings or prior to approval of drawings shall be at the sole risk of the Contractor.

18.7.3 Approval of the Contractor’s drawings and documents means that these are checked for conformity with applicable specifications and with the engineering requirements for the area covered in the Contract. It is clearly understood that approval by the Engineer does not include checking of drafting and other errors, but only review of basic concepts and general principles involved. Approval of the Contractor’s drawings and documents shall not in any way relieve the Contractor of any of his responsibilities under the Contract and the Contractor shall remain solely responsible for ensuring correctness of his drawings and documents.

18.7.4 The designs or drawing or document which do not require Owner's/Engineer's approval, shall be submitted by the Contractor, for information and use, in four (4) hard copy prints plus two (2) sets of soft copies in CDs to the Engineer and in two (2) hard copy prints plus two (2) sets of soft copies in CDs to the Owner. Though no approval of such designs or drawings will be accorded by the Owner/ Engineer, if any discrepancies and/or errors in these designs or drawings come to
the notice of the Engineer/Owner, then the Engineer/Owner shall point out the same to the Contractor and the Contractor shall revise the designs or drawings and resubmit four (4) prints plus two (2) sets of soft copies in CDs of each of the revised designs or drawings to the Engineer and two (2) prints to the Owner. In addition, the certified foundation outline drawings shall be submitted by the Contractor in hard copy prints, of four (4) sets plus two (2) sets of soft copies in CDs to the Engineer and hard copy prints of two (2) sets plus two (2) sets of soft copies in CDs to the Owner.

18.7.5 Erection Drawings, Erection Instructions including Erection, Testing & Commissioning manual, Spares Parts lists & Order Specifications, Operating manual & Maintenance manual, Routine & Type test certificates shall be submitted by the Contractor in hard copy prints of four (4) sets each, to the Owner and the Engineer and in soft copies in CD, two (2) sets each, to the Owner and the Engineer. All other documents, manuals, catalogues, instruction sheets, manufacturer's instructions etc. shall be submitted by the Contractor in hard copy prints of four (4) sets plus two (2) sets each of soft copies in CDs to the Owner and the Engineer.

18.7.6 Hard copies of all manuals, documents, spare parts lists, etc shall be supplied in neat and substantially bound volumes.

18.7.7 Two (2) hard copy prints in good condition of each of the approved drawings as well as information category drawings shall be retained by the Contractor at Site or at Contractor's premises or at any other place where the Work is being carried out and the same shall be always available for inspection and use by the Engineer and/or the Owner or by their authorised representatives.

18.8 DRAWINGS/DOCUMENTS WITH DELIVERY OF EQUIPMENT/ITEMS

18.8.1 In addition to stipulations of Clause 18.7.5, one (1) set hard copy of Assembly and Erection, Testing & Commissioning manual, Operating & Maintenance manual shall be supplied along with the first shipment/delivery of equipment.

18.8.1 With the delivery of equipment/items, the Contractor shall submit ten (10) sets of all applicable test certificates.

18.9 DRAWINGS AND DOCUMENTS AT COMPLETION OF WORK

18.9.1 At the completion of work but prior to issue of Final Acceptance Certificate as per Clause 27 hereof, the Contractor shall supply Completion drawings and documents or “As-built drawings and documents” for all equipment/items being supplied by him and his sub-contractors in the following manner:

18.9.1.1 Drawings and documents taken from each original drawing, specification, bills of materials, calculation sheets etc submitted by the
Contractor incorporating all approved changes made during the execution of work, including those made at Site during erection, assembly, testing, start-up and commissioning.

18.9.1.2 In addition, the Contractor shall supply co-ordination drawings integrating information / drawings from different suppliers / contractors with whom the Contractor shall have to co-ordinate in terms of Contract for furnishing the performance guarantees.

18.9.1.3 Further, schedule of parts for each complete equipment, giving part numbers with reference to assembly drawings and the total number of each part, shall be furnished by the Contractor.

18.9.2 All Completion drawings and documents or “As-built drawings and documents” & Co-ordination drawings as given under clause 18.9.1 and 18.9.1.2 hereof shall be submitted by the Contractor in hard copy prints of four (4) sets each to the Purchaser and the Engineer and in soft copies in CD, two (2) sets each, to the Owner and the Engineer.

18.9.3 Final Acceptance Certificate in terms of clause 27 hereof shall not be issued until such time as the supply of designs, drawings, documents, manuals, information etc. required as per aforesaid clauses is completed by the Contractor.

18.10 CIVIL ENGINEERING WORK

18.10.1 The Contractor shall carryout Civil Engineering Work as per the Technical Specification in accordance with conditions given below:

18.10.1.1 The Contractor shall make its own arrangement for all labour, construction, tools & tackles & construction materials. All temporary approach roads to the site for carrying out construction work shall be constructed and maintained by the Contractor at its own cost.

18.10.1.2 The Contractor shall make arrangement at its own cost for drawing and distributing water from a single point each, where water shall be provided by the Owner. The Contractor should have adequate water storage capacity to meet its requirements.

18.10.1.3 The Contractor shall take all necessary precautions to avoid damage to any property of the Owner or any third party. The Contractor shall also ensure that the progress of work of other Contractors in the adjoining areas is not hindered.

18.10.1.4 The Contractor shall take all precautions during execution, especially while excavating to avoid interference with or damage to underground works, such as cables, pipe lines, drains, etc. and provide all possible protection to these works and in case they are damaged, rebuild / divert them at its own cost.

18.10.1.5 The Contractor shall carry out, at its own cost, necessary precision survey to set out and check the setting of all works including foundation & anchor bolts,
etc., to the required tolerances using the grid reference points available in the plant site.

18.10.1.6 Materials brought to the site shall not be removed from the site without the written consent of the Owner. The Contractor shall submit well in advance for approval of all samples, specimens as the Owner may demand from time to time. Any material brought to site and rejected by the Owner shall be removed by the Contractor from the site of work immediately.

18.10.1.7 The Owner may during the progress of work, order the removal of part or whole of the work executed, found not in accordance with the approved drawings / specifications / written instructions. No extra claims shall be entertained for removal & re-execution of such work.

18.10.1.8 No work shall be covered up or put out of view without the clearance of the Owner. In the event of failing to do so, the Contractor shall uncover any part of the work or make openings in or through the works as the Owner may direct and they shall be made good with materials approved by the Owner and should match with workmanship of the surrounding work.

18.10.1.9 The Contractor shall provide sufficient strong and stable staging so as to ensure safety of the labour & structures.

18.10.1.10 The Contractor shall dismantle and remove the staging and other temporary facilities like stores, offices, labour camp, etc., on completion of work, clear and clean the site where such temporary facilities were built and restore the same to original condition.

18.10.1.11 After completion of work, the Contractor shall carry out micro-levelling of the site within battery limit ensuring proper grades and slopes to achieve efficient drainage of the site. The Contractor shall remove all debris, surplus earth, etc., and dump the same at place(s) as directed by the Owner.

18.10.1.12 (a) The cost of testing of concrete and any other material, shall be borne by the Contractor.

(b) The Contractor shall install its own testing facilities at site for testing of construction materials like cement, aggregates, concrete cubes, soil etc.

(c) Testing shall be carried out by the Contractor in the presence of Owner’s representative. However, the Contractor shall arrange for such testing, in case of exigencies on the Owner’s instructions, at any other testing laboratory as approved by the Owner without any extra cost to the Owner. All test results shall be submitted by the Contractor to the Owner for his approval.

(d) Any special measures or techniques which may be necessary for construction of structures, e.g., dewatering, sheet piling, diaphragm walls, well sinking, well point system, continuous pouring of concrete, etc., shall be deemed to have been taken into account by the Contractor and no extra claim, whatsoever, shall be entertained.
18.10.1.13 In respect of any portion of works which is to be embedded or covered up by other works, the Contractor shall submit them to Owner for technical inspection and have the necessary clearance certificates duly signed by the Owner and Contractor before letting such portion to be embedded or covered.

18.10.1.14 Wherever works are to be carried out in proximity or within existing facilities, Contractor may have to adopt special methodology of construction suited to prevailing conditions. The Contractor shall make necessary schemes in advance and finalise the same with the approval of the Engineer / Consultant.

18.10.2 Structural Load Test

The Contractor shall carry out structural load test on any part of the building / structure at its own cost if such structural load test is warranted due to unsatisfactory test results of concrete cubes and if so directed by the Owner.

18.10.3 Royalties for the Construction Materials

18.10.3.1 Royalties for the construction materials, e.g., sand, stone aggregates, boulders, moorum etc. as prescribed from time to time by the State Government shall be recovered from the bills of the Contractor and paid to the State Government by the Owner if there is a demand from statutory authorities in this regard. The Contractor shall submit necessary documentary evidence that the Contractor has paid the royalties directly to the statutory authorities at source.

18.10.4 Explosives

19.10.4.1 In case explosives are required for blasting of hard rock, the same shall be arranged by the Contractor at its own cost. Fulfilment of statutory obligations shall be the responsibility of the Contractor.

19.0 PROCUREMENT

19.1 PLANT & EQUIPMENT, STRUCTURES, ETC.

19.1.1 The Contractor shall not carry out fabrication work at Owner’s site without necessary prior approval from the Owner.

19.2 PACKING

19.2.1 The Contractor shall include and provide for securely protecting and packing the materials so as to avoid loss or damage during handling & transport by air, sea, rail and road.

19.2.2 All packing cases, packing and other similar materials shall be new and supplied free by the Contractor and same will not be returned.
19.2.3 Notwithstanding anything stated in this clause, the Contractor shall be entirely responsible for loss, damage or depreciation or deterioration to the materials & supplies due to faulty and / or insecure packing.

19.3 TRANSPORTATION

The Contractor shall be entitled to select any safe mode of transport operated by any person to carry the Plant & Equipment, Structures, Spares, Tools & Tackles, First fill of Lubricants, etc.

19.3.1 Transportation by Ship/ Air

19.3.1.1 The Indian Contractor shall be free to transport the material through any reputed shipping agency.

19.3.1.2 The Contractor shall forward the non-negotiable copies of the shipping documents to the Owner indicating the freight and insurance value of the consignment immediately after shipment of each consignment.

19.3.2 Transportation by Wagons

19.3.2.1 In case of despatch of consignment in Railway wagons, the Contractor shall ensure that the following is observed by the Contractor and their Sub-contractors:

   i) Identify, place necessary indents on the Railways and obtain at the appropriate time the correct type of wagons required, keeping in view the consignments to be despatched.

   ii) In case of over dimensioned (O.D.) consignments, the Contractor shall obtain the sanction for movement of the O.D. Consignment from the Railways.

   iii) Non-availability of special wagon or handling the consignments shall not be an excuse for payment of demurrage and if so shall be to the Contractor’s account.

   iv) Care being taken to avoid all possible chances of damages during transit and to ensure that all packages are firmly secured.

   v) The destination shall be indicated as KIOCL Limited, Bokaro Steel Plant Premises, Bokaro, Jharkhand.

19.3.2.2 The RR / Challans duly endorsed by the Engineer or Authorised representative of the Owner, will be handed over to the Contractor for taking delivery of consignments from Railway unloading the same from wagons and subsequent handling, transportation and storage at site after submission of custody-cum-indemnity bond in the form provided in the Bidding Document or in another form acceptable to the Owner. The demurrage charges, if any, will be payable by the Contractor.
19.3.2.3 The consignee for rail despatches shall be clearly marked as KIOCL Limited, Bokaro Steel Plant Premises, Bokaro, Jharkhand.

19.3.3 Transportation by Road

19.3.3.1 In case of the consignments despatched by road, the Contractor shall ensure that the following is observed by the Contractor and the Sub-contractors:

i) Identify and obtain the correct type of trucks / trailers, keeping in view the nature of consignments to be despatched.

ii) Care being taken to avoid all possible chances of damages during transit to ensure that all packages are firmly secured.

iii) All consignments despatched by road shall be on “Door Delivery” and freight paid basis.

19.3.3.2 The RR / Challans duly endorsed by the Engineer or Authorised representative of the Owner, will be handed over to the Contractor for taking delivery of consignments from Trucks, unloading the same from Trucks and subsequent handling, transportation & storage at site after submission of Custody-cum-Indemnity Bond in the form provided in the Bidding Document or in another form acceptable to the Owner. The demurrage charges, if any, will be payable by the Contractor.

19.3.3.3 The consignee for road despatches shall be clearly marked as KIOCL Limited, Bokaro Steel Plant Premises, Bokaro, Jharkhand.

19.3.4 Shipping Documents for imported Plant & Equipment, Structures etc.

19.3.4.1 The Overseas associates of the Contractor shall send the following shipping documents through Banks to the Owner:

(a) Three (3) original and 3 (three) copies of clean Bill of Lading or one (1) clean Airway Bill / House Airway Bill & 3 (three) copies, in case of air freight.

(b) One (1) original & three (3) copies of Contractor’s signed Invoices.

(c) Four (4) copies of Packing List.

(d) Four (4) copies of Certificate of Country of Origin.

(e) Four (4) copies of Inspection Certificate/ Despatch Clearance Certificate issued by the Engineer / Owner’s Authorised Representative. f) Four (4) copies of certificate from the Contractor to the effect that drawings and catalogues for Customs clearance purpose have been kept with the packages for shipment. g) Four (4) copies of Manufacturer’s Guarantee / Warranty / Quality Test Certificate. h) Proof of Insurance.
(f) Four (4) copies of Certificate from the Overseas Contractor to the effect that the contents in each case are not less than that entered in the Invoices and Packing Lists and the Quality are guaranteed as new and as per the relevant Technical Specifications.

19.3.4.2 The Overseas associates of the Contractor shall send the documents as listed above, in one set, to the Owner.

19.3.4.3 The Contractor shall send the following documents with the cargo:

- Quality Certificate (one copy)
- Packing List six (6) copies comprises two (2) copies in case No. 1 of each consignment and four (4) copies in each case (three inside the Box and one copy in a special packet at the outer side of the Box).

19.3.5 Despatch Documents for Transportation of Plant & Equipment, Structures, etc. by Wagon & Road

19.3.5.1 The Contractor shall arrange to despatch the following documents to the Owner at the address given below:

KIOCL Limited, Bokaro Steel Plant Premises, Bokaro, Jharkhand

(a) Four (4) photo copies of the clean rail / lorry receipt.
(b) Four (4) copies of Contractor’s signed invoice.
(c) Four (4) copies of Challan and Packing List.
(d) Four (4) copies of Inspection Certificate/ Despatch Clearance Certificate issued by the Engineer / Owner’s Authorised Representative
(e) Four (4) copies of manufacturer’s test certificate.

19.4 The Contractor shall be responsible for obtaining, if necessary, approvals from the authorities for transportation of the Plant and Equipment. The Owner shall use its best endeavours in a timely and expeditious manner to assist the Contractor in obtaining such approvals, if requested by the Contractor. The Contractor shall indemnify and hold harmless the Owner from and against any claim for damage to roads, bridges or any other traffic facilities that may be caused by the transport of the Plant and Equipment to the Site.

19.5 CUSTOMS CLEARANCE

19.5.1 The original shipping documents shall be handed over to the Contractor by the Owner for Port clearance and Customs clearance and taking delivery of consignments from Port, subsequent handling, transportation and storage at site, against submission of the Custody-cum-Indemnity Bond for full value of supplies in the form provided in the Bidding Document or in another form acceptable to the Owner.

19.5.3 For the demurrage / Port charges, if any, on account of the delay in Custom/Port clearance, the Contract shall bear the charges.
19.6 PROCESSING/ ASSEMBLY

19.6.1 Some imported equipment/components under this Contract included in the scope of Foreign Contractor, if any, may be required by other Indian Consortium Member for further processing/assembly. The Indian Contractor (Consortium member) shall clear such equipment/components from Indian port and shall arrange to despatch them to other Consortium Member after giving a Custody-cum Indemnity Bond for the landed cost of such imported equipment/components to indemnify the Owner. These equipment/components shall be considered as free supply by Owner. The Consortium member receiving the equipment/components for further processing/assembly, shall avail CENVAT benefit on account of Countervailing Duty on such imported equipment/components and shall include the cost of such imported equipment/components in assessable value for payment of Excise Duty and provide necessary documents so as to enable Owner to avail CENVAT benefit on total assembly including the imported equipment/components. Excise Duty shall be reimbursed on actual against documentary evidence to be produced by the Contractor, subject to a ceiling indicated in Price bid. All taxes and duties shall be included in the Contract Price quoted. Owner shall have no additional liability whatsoever including taxes and duties.

19.6.2 Some equipment/components under this Contract included in the scope of Indian Contractor may be required by other Indian Consortium Member for further processing/assembly. These equipment/components shall be directly dispatched by the concerned Contractor to the other Consortium Member. The Consortium Member receiving the equipment/components for further processing/assembly, shall avail CENVAT benefit on account of Excise Duty on such equipment/components and shall include the cost of such equipment/components in assessable value for payment of Excise Duty and provide necessary documents so as to enable Owner to avail CENVAT benefit on total assembly including the said equipment/components. Excise Duty shall be reimbursed on actual against documentary evidence to be produced by the Contractor, subject to a ceiling indicated in Price bid. All taxes and duties shall be included in the Contract Price quoted. Owner shall have no additional liability whatsoever including taxes and duties. Payment shall be released to the Contractors only after receipt of material at Owner’s site.

19.6.3 Any item/ part of the existing equipment required to be taken out of plant premises for job work shall be issued to the Contractor on submission of Bank Guarantee for equal value of the item/ part. The value of the item of the part shall be indicated by Owner. The Bank Guarantee shall be issued and payable at Place, where site is located and shall be kept initially valid for a suitable period to be mutually agreed. However, in case value of such items is less than 20% of the respective Performance Bank Guarantee, no additional Bank Guarantee is required to be submitted and the materials can be taken out against Indemnity Bond.

19.6.4 After job work, the items/ parts shall be returned immediately but not later than 180 days from the date of removal. The scrap if any, generated during
job work shall be the property of the Contractor. The Contractor shall be required to submit the documentary evidence in support of payment of excise duty on the scrap generated, if any, during job work. The relevant portion of Excise Rule 4(5) (a) shall be applicable.

20.0 **INSTALLATION**

20.1 **SETTING OUT**

20.0.1 Bench Mark: The Contractor shall be responsible for the true and proper setting-out of the Facilities periodically in relation to bench marks, reference marks, check lines and levels provided to it in writing by or on behalf of the Owner.

20.2 Contractor’s Supervision: The Contractor shall give or provide all necessary superintendence during the installation of the Facilities, and the Contractor’s Representative(s) shall be constantly on the Site to provide full-time superintendence of the installation. The Contractor shall provide and employ only technical personnel who are skilled and experienced in their respective discipline and supervisory staff who are competent to adequately supervise the work at hand.

20.3 **LABOUR**

20.3.1 The Contractor shall provide and employ on the Site in the installation of the Facilities such skilled, semi-skilled and unskilled labour as is necessary for the proper and timely execution of the Contract.

20.3.2 The Contractor shall at all times during the progress of the Contract use its best endeavours to prevent any unlawful, riotous or disorderly conduct or behaviour by or amongst its employees & labour and labour of its Sub-Contractors / Vendors.

20.3.3 **Labour Rules**

21.3.3.1 In respect of all labour directly or indirectly employed on the works by the Contractor, the Contractor shall comply with and implement all the Provisions of the Contract Labour (Regulation and Abolition) Act 1970, or any amendment thereof, and all legislations and Rules of the State and / or Central Government or other local authority formed from time to time governing the protection of health, sanitary arrangements, wages, welfare and safety of labour employed on the works and the Contractor shall be deemed to the Principal Owner for this purpose. The rules and other statutory obligations with regard to fair wages, welfare and safety measures, maintenance of register, etc., will be deemed to be part of the Contract. The Contractor will get itself registered with the concerned statutory authorities as provided in the Act and shall be directly responsible of the authorities thereunder for compliance with the provisions thereof.

20.3.2 **Reporting of Accidents**
The Contractor shall be responsible for the safety of its own and its Sub-Contractors’ workmen and employees. All accidents at site are to be immediately reported to the required authorities. The Contractor shall be responsible for all such accidents.

20.3.3.3 Preservation of Peace The Contractor shall take requisite precautions and use its best endeavor to prevent riotous or unlawful behaviours by, or amongst his workmen and / or others employed on the works, by the Contractor its Sub-Contractors and for the preservation of peace and protection of the inhabitants and security of the property in the neighbourhood of the works / site.

20.3.4.4 Use of Intoxicants -The use or sale of ardent spirits or other intoxicating beverages, upon the works or in any of the building, boarding houses, encampments or other tenements owned, occupied by or within the control of the Contractor or any of its employees or its Sub-Contractor is strictly forbidden and the Contractor shall secure strict compliance.

20.3.5 Observance by Sub-Contractors -The Contractor shall also be responsible for the compliance of all the rules & regulations by his Sub-Contractor(s)

20.4 Contract Labour Rules

20.4.1 The Contractor will get himself registered with the concerned statutory authorities as provided in the Act and shall be directly responsible to the authorities for compliance with the provisions thereof and KIOCL Limited shall have no relation of Owner and Employee for contractual worker / labour.

20.4.2 The Contractor shall also maintain all records/ register/ return/ cards such as:

(a) Register of workmen employed by Contractor
(b) Employment Card
(c) Muster Roll
(d) Register of wages-cum-muster roll
(e) Submission of Return

21.4.5 Compliance with Statutory Laws and Other Regulations of Govt. / Local Authority All statutory / labour rules of Govt./local authorities as applicable at, Crushing and Screening Plant Site shall be strictly followed by Contractor. Contractor shall indemnify Owner against any such implication.

The following Acts with latest amendment thereof shall be complied with by the Contractor:

(b) Contract Labour Act (Regulation and Abolition Act, 1970
(c) Minimum Wages Act, 1948
(d) Payment of Wages Act, 1936
(e) Workmen Compensation Act, 1923.
(f) Factories Act, 1948
20.4 CONTRACTOR’S EQUIPMENT

20.4.1 The Contractor shall mobilise all construction equipment, tools, tackles & consumables to ensure timely completion of work and quality of workmanship. On request, the Owner may provide the Contractor any special handling / construction equipment needed in the interest of work subject to availability and on payment of hire charges and other conditions of Owner. However, overhead crane may be provided depending on availability, free of charge.

20.5 SITE REGULATIONS AND SAFETY

20.5.1 The Contractor shall comply with the Site regulations, during the execution of the Contract at the Site, as given under Clause 39 of KIOCL’s GCC.

20.5.2 The employees /labour of the Contractor / Sub-Contractor and Plant & Equipment brought to Site shall be subject to gate pass to be issued by Security Department or the respective Department.

20.5.2.1 Preparation of gate pass normally takes certain amount of time. The Contractor / Sub-Contractor shall plan their programme in advance accordingly.

20.5.2.2 Owner shall have the right to refuse the gate pass to any workers/ representatives without assigning any reason. The Contractor shall ensure that gate pass issued to their workers/ representatives/ Sub-contractors are not misused. All representatives/ workers of the Contractors/ Sub-Contractors shall possess admit pass.

20.6 ERECTION

20.6.1 The Contractor shall provide all temporary ladders, scaffolding materials, platforms, supports and other necessary facilities required for handling, erection, testing and visual inspection of supplies at the point of installation and shall also provide necessary packing plates, wedges, shims, levelling screws etc., required for erection of equipment and structures.

20.6.2 The Contractor shall return to the Owner all crates, packing cases and packing materials and all returnable supplies at a place and manner designated by the Owner.
20.6.3 The Contractor shall provide erection consumables like oxygen and acetylene gas, welding rods, solder lugs, oil, grease, kerosene, cotton waste, etc., required for erection of plant equipment and steel structures.

20.6.4 The Contractor shall construct and maintain its own site offices and stores as required for the work and arrange for maintaining in neat manner of the area placed at the Contractor’s disposal. The temporary allotment of land for the purpose of site office, stores and temporary works for execution of Contract, shall be on the following terms:

20.6.4.1 Land to the extent available will be allotted free of charge for the purpose of site office & stores

20.6.4.2 The allotment shall remain valid till the period of Contract and shall automatically cease after expiry of the Defect Liability period of the Contract. The validity shall also automatically cease on termination of Contract due to any reason whatsoever.

20.6.4.3 On completion of the work and expiry of the Defect Liability period, the Contractor shall remove all structures built by the Contractor and restore the land to its original condition.

20.6.5 The Contractor shall provide sufficient fencing, notice boards and lights to protect and warn others as may be considered necessary by the Owner / Consultant.

20.6.6 All guarantees and test certificates obtained by the Contractor from various agencies during the execution of work shall be transferred to the Owner before issue of Preliminary Acceptance Certificate.

20.6.7 The plant & equipment and structures will be erected by contractors as per the instructions of equipment suppliers and the Contractor shall use to the maximum extent, pre-assembly and mechanization in order to fulfil the erection and construction targets.

20.6.8 The Contractor shall be responsible for protection and / or diversion of underground and all existing over ground services, wherever required and / or diversion of the underground services which are indicated in the drawing made available to the Contractor. In case there are underground services which need to be protected and / or diverted but are not shown in the drawing, the Contractor shall be responsible to execute the same at extra price, if any, to be mutually agreed between Contractor & Owner.

20.7 EMERGENCY WORK

If, by reason of an emergency arising in connection with and during the execution of the Contract, any protective or remedial work is necessary as a matter of urgency to prevent damage to the Facilities, the Contractor shall immediately carry out such work. If the Contractor is unable or unwilling to do such work immediately, the Owner may do or cause such work to be done as the Owner may determine that it is necessary in order to prevent damage to
the Facilities. In such event the Owner shall, as soon as practicable after the occurrence of any such emergency, notify the Contractor in writing of such emergency, the work done and the reasons therefor. If the work done or caused to be done by the Owner is work that the Contractor was liable to do at its own expense under the Contract, the actual costs incurred by the Owner in connection therewith shall be paid by the Contractor to the Owner.

20.8 SITE CLEARANCE

20.8.1 In the course of carrying out the Contract, the Contractor shall keep the Site reasonably free from all unnecessary obstruction, store or remove any surplus materials, clear away any wreckage, rubbish or temporary works from the Site, and remove any Contractor’s Equipment no longer required for execution of the Contract.

20.8.2 After Completion of all parts of the Facilities, the Contractor shall clear away and remove all wreckage, rubbish, debris and surplus material of any kind from the Site, and shall leave the Site and Facilities clean and safe.

20.9 LIGHTING, FENCING AND WATCHING

The Contractor shall provide and maintain at its own expense all lighting, fencing, and watching when and where necessary within battery limit for the proper execution and the protection of the Facilities and for the safety of the public.

20.10 WORK AT NIGHT AND ON HOLIDAYS

As and when the Engineer considers it necessary to carry out work on extended hours / three shift basis or on Public Holidays so as to meet the Time for Completion and request the Contractor to carry out work on extended hours / three shifts or on Public Holidays, the Contractor shall carry out the work accordingly to meet the Time of Completion.

20.11 PROTECTION OF ENVIRONMENT

During execution of works, the Contractor and his sub-contractors shall abide at all times by all existing enactments on environmental protections and rules made there under, regulations, notifications and bye-laws of the State or Central Government or local authorities and any other law, bye-law, regulation that may be issued in this respect in future by the State or Central government of local authority; including but not limited to those given below:

(i) The Water (Prevention and Control of Pollution) Act, 1974
(iii) The Environment (Protection) Act, 1986

Or order and any regulations or bye-laws of any local authority in respect of the works.
21.0 **TEST AND INSPECTION**

21.1 After finalisation of Billing schedule, the equipment/items to be inspected shall be identified jointly by Owner and Engineer/Consultant. Inspection of all such items shall be carried out at manufacturers’ sites as per approved QAP. For rest of the equipment/items, despatch clearance shall be issued by the “Engineer” after receipt of test guarantee certificates/internal inspection report from the Contractor or its sub contractors/manufacturer.

The Contractor shall at its own expense carry out at the place of manufacture and/or on the Site all such tests and/or inspections of the Plant and Equipment and any part of the Facilities as are specified in the Contract or as per approved QAP.

21.2 The Engineer or his designated representative(s) shall be entitled to attend the aforesaid test and/or inspection, provided that the Owner shall bear costs and expenses incurred in connection with such attendance including, but not limited to, all travelling and board and lodging expenses.

21.3 Whenever the Contractor is ready to carry out any such test and/or inspection, the Contractor shall give a fourteen (14) days advance notice of such test and/or inspection for indigenous items and six weeks advance notice for imported items and of the place and time thereof to the Engineer along with relevant test certificates. The Contractor shall obtain from the relevant third party or manufacturer any necessary permission or consent to enable the Engineer or his designated representative(s) to attend the test and/or inspection.

21.4 The Contractor shall provide the Engineer with a certified report of the results of any such test and/or inspection. If the Engineer or his designated representative(s) fails to attend the test and/or inspection within 14 days, or if it is agreed between the parties that such persons shall not do so, then the Contractor may proceed with the test and/or inspection in the absence of such persons, and will provide the Engineer with a certified report of the results thereof, based on which the Owner will issue the dispatch clearance.

21.5 If any Plant and Equipment or any part of the Facilities fails to pass any test and/or inspection, the Contractor shall either rectify or replace such Plant and Equipment or part of the Facilities and shall repeat the test and/or inspection upon giving a notice under Sub-Clause 21.3 hereof.

21.6 The Contractor shall afford the Engineer, at the Owner’s expense, access at any reasonable time to any place where the Plant and Equipment are being manufactured or the Facilities are being installed to inspect the progress and the manner of manufacture or installation, provided that the Engineer shall give the Contractor a reasonable prior notice.

21.7 No equipment/material shall be dispatched without inspection as per approved quality assurance plan (QAP) unless waived/dispatch clearance issued by the Owner. Inspection may be carried out by Owner’s authorized representative/third party agency (to be appointed by Owner). Inspection
certificates/despatch clearance so issued shall form the part of valid
documents for claiming progress payments by the Contractor.

21.8 The execution of a test and / or inspection of Plant and Equipment or any part
of the Facilities, or the attendance by the Owner or the Engineer, or the issue
of any test certificate or waiver certificate pursuant to Sub-Clause 21.4
hereof, shall not relieve the Contractor from any of its responsibilities under
the Contract.

22.0 PRELIMINARY ACCEPTANCE

22.1 On completion of erection of the Facilities by the Contractor, trial runs for
individual equipment / units shall be conducted by the Contractor to prove
that the Facilities have been supplied and erected as per Contract and after
erection, Facilities are fit for start up and commissioning. Trial runs shall be
so designed to conduct the systematic check of the components and of the
functional operation thereof. Trial runs shall comprise idle, no-load and part-
load trial runs, as applicable. Trial runs shall be conducted by the Contractor
under its sole responsibility and employing its own personnel. The Owner's
supervisory personnel and skilled operating personnel shall, however,
witness the trial runs. On successful completion of trial runs and liquidation of
the defects and / or deficiencies, indicated / listed by the Owner to the
Contractor during trial runs (except minor defects and / or deficiencies which
in the opinion of the Owner will not affect the operation, safety &
commissioning of the Facilities), the Contractor shall so notify the Owner in
writing for conducting integrated trial runs.

22.2 On receipt of the notice from the Contractor for conducting integrated trial
runs, the Owner, if required, shall deploy the necessary operating personnel,
and provide raw materials, utilities & services as per Clause 7 hereof.

22.3 As mutually agreed between the Contractor and the Owner after the
operating personnel have been deployed by the Owner and raw materials,
utilities & services have been provided by the Owner in accordance with Sub-
Clause 22.2 hereof, the Contractor shall conduct Pre-Commissioning
including integrated trial runs of the Facilities, in preparation for
Commissioning.

22.3.1 In case of Facilities involving operation at high temperature, trial runs on
individual equipment / units and integrated trial runs shall be conducted in
cold condition.

22.4 As soon as all works in respect of integrated Pre-Commissioning are
completed and the Facilities are ready for Commissioning, the Contractor
shall so notify the Engineer in writing.

22.5 The Engineer shall, within seven (7) days after receipt of the Contractor's
notice either issue a Preliminary Acceptance Certificate (PAC) stating that the
Facilities are fit for start-up and commissioning, as at the date of the
Contractor's notice or notify the Contractor in writing of any defects and / or
deficiencies. If the Engineer notifies the Contractor of any defects and / or
deficiencies, the Contractor shall then correct such defects and / or deficiencies, and shall repeat the procedure described in Sub-Clause 22.4 hereof. If the Engineer is satisfied that the defects and / or deficiencies, indicated / listed by the Owner to the Contractor have been liquidated and the Facilities are fit for start-up and commissioning, the Engineer shall, within seven (7) days after receipt of the Contractor’s notice, issue a Preliminary Acceptance Certificate stating that the Facilities are fit for start-up and commissioning, as at the date of the Contractor’s repeated notice. If the Engineer is not so satisfied, then the Owner shall notify the Contractor in writing of any defects and / or deficiencies within seven (7) days after receipt of the Contractor’s repeated notice, and the above procedure shall be repeated.

22.6 As soon as possible, after issue of Preliminary Acceptance Certificate, the Contractor shall complete outstanding defects and / or deficiencies, if any, so that the Facilities are fully in accordance with the requirements of the Contract, failing which the Owner will undertake such completion and deduct the costs thereof from any money owing to the Contractor.

23.0 COMMISSIONING

23.1 After the issue of Preliminary Acceptance Certificates, the Contractor shall start up and commission the Facilities in accordance with provisions and terms of Contract Technical specification. The Owner shall provide the operating and maintenance personnel and all raw materials, utilities & services required for commissioning. The Contractor shall supply the commissioning items and oil, grease, lubricants & chemical etc. required for commissioning as per Clause 7.3.2 & 7.3.4 hereof.

23.2 The Contractor shall conduct commissioning test to establish operation of all necessary production facilities as individual as well as in an integrated manner (in their proper sequence) establishing a minimum of sixty six point seven percent (66.7 %) of the rated capacity of the system as a whole, continuously for a period of seventy two (72) hours within a period of two (2) weeks of such commissioning test matching the specified input and output, quality and quantity parameters as set forth in the NIT.

23.3 The Commissioning Certificate shall be issued by the Owner subject to the following:

(a) Commissioning test as per sub-clause 23.2 has been successfully completed and the quality of materials produced and other parameters are as per Technical Specifications.

(b) The Contractor to the satisfaction of the Owner has met all the objections / observations, if any, contained in the Preliminary Acceptance Certificate.

(c) Upon fulfilment of above condition, the Contractor will apply to the Owner to issue the Commissioning Certificate. Within 7 days of receipt
SUCCESSFUL COMMISSIONING:

Successful commissioning shall mean when the production facility will give a level of output not less than the rated capacity of pellet of specified parameters as mentioned in the NIT over a period of 7 days (seven) on a continuous basis. The Contractor has to ensure the successful commissioning within 2 months (two) from the date of commissioning.

TAKING OVER

25.1 Taking over of the Plant will be carried out from the date of successful commissioning. After the taking over, the Owner shall provide consumables and shall be responsible for the care & custody of the Facilities together with the risk of loss or damage thereto.

25.2 The Owner shall have the right to take possession or use any completed or partially completed work. Such possession or use shall not be deemed to be an acceptance of any work done not in accordance with the Contract. However, any damage to such work solely due to such provision or use shall be to the Owner’s account.

PERFORMANCE GUARANTEE TEST

26.1 The Contractor shall guarantee that during the performance guarantee test, the Facilities and all parts thereof shall attain the performance guarantee parameters specified in the NIT/Contract Agreement, subject to and upon the conditions specified therein.

26.2 If, for reasons attributable to the Contractor the performance guarantee parameters specified in the NIT/Contract Agreement, are not met either in whole or in part, the Contractor shall at its cost and expense make such changes, modifications and/or additions to the Facilities or any part thereof as may be necessary to meet performance guarantee parameters. The Contractor shall notify the Owner upon completion of the necessary changes, modifications and/or additions, and shall request the Owner to allow the Contractor to repeat the performance guarantee test so as to establish the performance guarantee parameters.

26.3 If, for reasons attributable to the Contractor, the performance guarantee parameters specified in the NIT/Contract Agreement are not attained either in whole or in part, after first campaign of performance guarantee test as per Sub-Clause 26.2 hereof, the Contractor shall at its own cost make good any deficiencies and the Contractor shall be allowed by the Owner to repeat the performance guarantee tests twice after first campaign of guarantee test and the Contractor must establish the performance guarantee parameters.

26.4 In case the Contractor expresses its inability to achieve the performance guarantee parameters but attains above the minimum acceptance level of
performance guarantee parameters, as specified in the NIT / Contract Agreement, either in whole or in part in spite of repeated performance guarantee tests conducted by the Contractor, the Owner shall recover the amount of Liquidated Damages, but not by way of penalty, by making deductions from the Contractor’s account or as a last resort by encashment of Contractor’s Bank Guarantee(s) at the rate specified in the Contract Agreement for the respective items, subject to a maximum of five percent (10%) of the Contract Price plus escalation, if any, in respect of the failure to meet the minimum level of performance guarantees in accordance with the provisions in the NIT/Contract Agreement. The Owner shall not reject the plant & equipment after commissioning and achievement of minimum acceptance level of performance guarantee parameters. After successful commissioning and achievement of the minimum acceptance level of performance guarantee parameters, the total liability of the Contractor on account of delay and demonstration of maximum PG parameters shall not be more than Liquidated Damages. In case, even after all possible repairs and replacements the Contractor fails to attain the minimum level of performance guarantee parameters, the Owner may reject the Facility and recover the entire cost paid to the Contractor or alternatively the Owner may proceed for commercial settlement with the Contractor for acceptance of the Facilities at the negotiated Price.

27.0 FINAL ACCEPTANCE

27.1 Final Acceptance shall occur in respect of the Facilities when:

(a) the performance guarantee tests have been successfully completed or the amount of Liquidated Damages, if recoverable, has been recovered by the Owner from the Contractor.

(b) The Contractor has submitted all final drawings & documents for the respective Facilities in accordance with the provisions of this Contract as given in Clause 18.9 of SCC

(c) the Contractor has fulfilled all the obligations under the Contract.

27.2 At any time after the events set out in Sub-Clause 27.1 hereof, have occurred, the Contractor may give a notice to the Engineer requesting for the issue of Final Acceptance Certificate (FAC) in respect of the Facilities specified in such notice as at the date of such notice.

27.3 The Engineer shall, within seven (7) days after receipt of the Contractor’s notice, issue a Final Acceptance Certificate.

27.4 Payment for Final Acceptance may be released against BG of equal value valid for 12 months after fulfillment of clause 27.1 a & b.
28.0 GUARANTEES & LIABILITIES:

Completion time guarantee:

28.1 The contractor guarantees that it shall attain completion of the works / contract as defined in the NIT within the time for completion as specified in the NIT or within such extended time to which the contractor shall be entitled under clause 41.0 hereof.

28.2 LIQUIDATED DAMAGES DUE TO DELAY IN COMPLETION OF THE WORK:

28.2.1 If the contractor fail to attain completion of the works as defined in the NIT within the time for completion of any extension thereof under clause 41.0 hereof due to reason attributable to the contractor, the Owner shall recover the amount of liquidated damages by making deductions from the contractor's account or by encashment of contractor's bank guarantees upto a maximum of 10 % of the contract price plus escalation, if any.

28.2.2 The payment of Liquidated Damages shall not in any way relieve the contractor from any of its obligations to complete the works or from any other obligations and liabilities of the contractor under the contract.

28.3 The aggregate ceiling on Liquidated Damages due to delay in completion of works and for non-fulfilment of performance guarantee parameters in accordance with the contract shall be limited to 15 % of the contract price plus escalation, if any.

29.0 DEFECT LIABILITY

29.1 The Contractor shall warrant that the Facilities or any part thereof shall be free from defects in the design, engineering, materials and workmanship of the Plant and Equipment, Structures supplied and of the work executed.

29.2 The Defect Liability Period shall be twelve (12) months from the date of commissioning mentioned in the Commissioning Certificate .The guarantee period for spare parts shall be 12 months from the date of commissioning or 36 months from the date of supply whichever is earlier in respect of 2 years normal operations spares and essential spare except for rubber product and electronic item where manufacturer recommends periodic usage. If during the Defect Liability Period any defect be found in the design, engineering, materials and workmanship or of the work executed by the Contractor, the Contractor shall promptly, in consultation and agreement with the Owner and at its cost, repair, replace or otherwise make good such defect as well as any damage to the Facilities caused by such defect. The Contractor may, with the consent of the Owner and after submission of Bank Guarantee for the equivalent cost of Plant & Equipment, remove from the Site any Plant and Equipment or any part of the Facilities that are defective if the nature of the defect, and / or any damage to the Facilities caused by the defect, is such
that repairs cannot be expeditiously carried out at the Site. However, in case value of such items is less than 20% of the respective performance bank guarantee, no additional bank guarantee is required to be submitted and the material can be taken out against indemnity bond. In case of defective parts not repairable at Site but become essential in the mean time for the commercial use of the plant, the Contractor shall replace at Site free of cost to the Owner, the defective parts, before the defective parts are removed from the Site.

29.3 If the repair, replacement or making good is of such a character that it may affect the efficiency of the Facilities or any part thereof, the Owner may give to the Contractor a notice requiring that tests of the defective part of the Facilities shall be made by the Contractor immediately upon completion of such remedial work, whereupon the Contractor shall carry out such tests. If such part fails the tests, the Contractor shall carry out further repair, replacement or making good (as the case may be) until that part of the Facilities passes such tests. The tests shall be agreed upon by the Owner and the Contractor. If the Contractor does not commence the rectification either by repair or replacement of such defects within 30 (thirty) days from the date of notice by the Owner or does not complete the rectification with reasonable diligence and within a reasonable time, the Owner may, at its option, rectify the defects at the Contractor's expense. The Owner shall, in such case, deduct from payment due to the Contractor the expenses incurred by the Owner for remedy of such defects without prejudice to the other rights of the Owner under the Contract.

29.4 If the Facilities or any part thereof cannot be used by reason of such defect and / or making good of such defect, the Defect Liability Period of the Facilities or such part, as the case may be, shall be extended by a period equal to the period during which the Facilities or such part cannot be used by the Owner because of any of the aforesaid reasons.

29.5 In addition, the Contractor shall also provide an extended warranty for any such replaced or repaired component of the Facilities for the period of minimum 12 months but not more than 36 months cumulatively or as it may be stipulated in Contract Technical Specifications. Such obligation shall be in addition to the defect liability specified under Clause 29 hereof.

30.0 PATENT INDEMNITY

30.1 The Contractor shall, subject to the Owner’s compliance with Sub-Clause 30.2 hereof, indemnify and hold harmless the Owner and its employees and officers from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of whatsoever nature, including attorney’s fees and expenses, which the Owner may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright or other intellectual property right registered or otherwise existing by reason of the installation of the Facilities by the Contractor. Such indemnity shall not cover any use of the Facilities or any part thereof other than for the purpose indicated by or to be reasonably inferred from the Contract, any infringement
resulting from the use of the Facilities or any part thereof, or any products produced thereby in association or combination with any other equipment, plant or materials not supplied by the Contractor, pursuant to the Contract Agreement.

30.2 If any proceedings are brought or any claim is made against the Owner arising out of the matters referred to in Sub-Clause 30.1 hereof, the Owner shall promptly give the Contractor a notice thereof, and the Contractor may at its own expense and in the Owner’s name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim. If the Contractor fails to notify the Owner within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Owner shall be free to conduct the same on its own behalf at the risk & cost of the Contractor. The Owner shall, at the Contractor’s request, afford all available assistance to the Contractor in conducting such proceedings or claim, and shall be reimbursed by the Contractor for all expenses incurred in so doing.

30.3 The Owner shall indemnify and hold harmless the Contractor and its employees, officers and Subcontractors from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of whatsoever nature, including attorney’s fees and expenses, which the Contractor may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright or other intellectual property right registered or otherwise existing at the date of the Contract arising out of or in connection with any design, data, drawing, specification, or other documents or materials provided by the Owner.

G. RISK DISTRIBUTION

31.0 TRANSFER OF OWNERSHIP

31.1 The title of ownership of Imported plant & equipment, structures, tools & tackles, first fill of lubricants and all other goods (including spare parts) whose prices in the Contract are indicated in Foreign Currency, shall be transferred to the Owner after loading on FOB port of shipment basis as per INCOTERMS, 2010.

31.2 The title of ownership and property for indigenous Plant & Equipment, Structures, spares, tools & tackles, first fill of lubricants, etc. shall pass on to the Owner after the Contractors have effected the despatch of same to the Owner or the Contractors have effected the sale, in course of transit, as per Section 6(2) of the Central Sales Tax Act 1956 and the Contractors have prepared necessary documentation for handing over the same to Owner’s authorised representative.

31.3 The property of Plant & Equipment, Structures, spares, tools & tackles, first fill of lubricants, etc. issued to the Contractors under Bailee Agreement / Bond is vested with the Owner all the time till erection, commissioning and completion
of Performance Guarantee Tests as per the terms and conditions of the Contract.

32.4 The transfer of title to ownership for the steel structural work (fabricated at site) including glazing & sheeting, civil construction work under this Contract shall pass on to the Owner on its accretion and release of payment.

32.5 Notwithstanding the transfer of ownership of the Plant and Equipment, the responsibility for care and custody thereof together with the risk of loss or damage thereto shall remain with the Contractor pursuant to Clause 33 (Care of Facilities) hereof, until Commissioning of the Facilities in which such Plant & Equipment, Structures are incorporated.

33.0 CARE OF FACILITIES

33.1 The Contractor shall be responsible for the care and custody of the Facilities or any part thereof until the date of successful commissioning and shall make good at its own cost any loss or damage that may occur to the Facilities or the relevant part thereof from any cause whatsoever during such period. The Contractor shall also be responsible for any loss or damage to the Facilities caused by the Contractor or its Sub-Contractors in the course of any work carried out, pursuant to Clause 29 (Defect Liability) hereof.

33.2 With respect to any loss or damage caused to the Facilities or any part thereof by reason of any of the matters specified in Sub-Clause 39.1 hereof, the provisions of Sub-Clause 39.3 hereof, shall apply.

34.0 LOSS OF OR DAMAGE TO PROPERTY; ACCIDENT OR INJURY TO WORKERS; INDEMNIFICATION

34.1 Subject to Sub-Clause 34.2 hereof, the Contractor shall indemnify and hold harmless the Owner and its employees from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of whatsoever nature, including attorney’s fees and expenses, in respect of the death or injury of any person or loss of or damage to any property (other than the Facilities whether accepted or not), arising in connection with the supply and installation of the Facilities and by reason of the negligence of the Contractor or its Subcontractors, or their employees, or agents, except any injury, death or property damage caused by the negligence of the Owner, its employees, or agents.

34.2 If any proceedings are brought or any claim is made against the Owner that might subject the Contractor to liability under Sub-Clause 34.1 hereof, the Owner shall promptly give the Contractor a notice thereof and the Contractor may at its own expense and in the Owner’s name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim. If the Contractor fails to notify the Owner within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Owner shall be free to conduct the same on its own behalf at the risk of the Contractor. The Owner shall, at the Contractor’s request, afford all available assistance to the Contractor in conducting such proceedings or
claim, and shall be reimbursed by the Contractor for all expenses incurred in so doing.

35.0 **INSURANCE**

35.1 The Contractor shall arrange, secure and maintain insurance as may be necessary and for all such amounts as per the Special Conditions of Contract, to protect his interests and the interest of the Owner, against all risks as detailed herein. The form and the limit of such insurance, as defined herein together with the under writer thereof in each case shall be as acceptable to the Owner.

However, irrespective of such acceptance, the responsibility to maintain adequate insurance coverage on comprehensive all risks basis at all times during the period of Contract shall be that of the Contractor alone. The Contractor’s failure in this regard shall not relieve him of any of his contractual responsibilities and obligations.

35.2 Any loss or damage to the equipment, during handling, transporting, and storage, erection, commissioning, etc., until the work is taken over by the Owner, shall be to the account of the Contractor. The Contractor shall be responsible for preferring of all claims and make good for the damage or loss by way of repairs and/or replacement of the portion of the work damaged or lost. The transfer of title shall not in any way relieve the Contractor of the above responsibilities during the period of the Contract. The Contractor shall provide the Owner with a copy of all insurance policies and documents taken out by him in pursuance of the Contract. Such copies of documents shall be submitted to the Owner in writing at least sixty (60) days in advance, regarding the expiry, cancellation and/or change in any of such documents and ensure revalidation/renewal, etc., as may be necessary well in time.

35.3 The risks that are to be covered under the insurance shall include, but not be limited to, the loss or damage in transit, theft, pilferage, riot, civil commotion, weather conditions, accidents of all kinds, fire, etc. The scope of such insurance shall cover the entire value of the works from time to time.

35.4 All costs on account of insurance liabilities covered under the Contract will be to the Contractor’s account and will be included in the Contract Price. However, the Owner may from time to time, during the pendency of the Contract, ask the Contractor in writing to limit the insurance coverage risks and in such a case, the parties to the Contract will agree for a mutual settlement for reduction in Contract Price to the extent of reduced premium amounts.

35.5 The Contractor shall provide in the joint names of the Owner and the Contractor, insurance cover from the Start Date to the end of the Guarantee Period, in the amounts and deductibles stated in the Contract Documents for the following events which are due to the Contractors risks.

(a) loss of or damage to the Works, Plant and Materials
(b) loss of or damage to Equipment;

(c) loss of or damage of property (except the Works, Plant, Materials and Equipment) in connection with the Contract; and

(d) personal injury or death.

35.6 Policies and certificates for insurance shall be delivered by the Contractor to the Owner or his nominee for the Owner or his nominee's approval before the Start Date. All such insurances shall provide for compensation to be payable in the types and proportions of currencies required to rectify the loss or damage incurred.

35.7 If the Contractor does not provide any of the policies and certificates required, the Owner may effect the insurance which the Contractor should have provided and recover the premiums the Owner has paid from payments other-wise due to the Contractor or, if no payment is due, the payment of the premiums shall be a debt due.

35.8 Alterations to the terms of insurance shall not be made without the approval of the Owner or his nominee.

35.9 Both parties shall comply with all conditions of the insurance policies.

35.10 The Contractor at his own cost shall be responsible and take a comprehensive Insurance Policy for "transit-cum-storage-cum-erection" in the joint name of KIOCL, 2nd Block, Koramangala, Bangalore for value to be approved by KIOCL covering all risks and liabilities for supply on FOT site basis, storage at site up to erection, testing & commissioning and handing over of the Plant to KIOCL. The Contractor shall also take insurance for Third Party Liability covering loss of human life (engineers and workmen not belonging to Contractor) and also covering the risks of damage of other's material/equipment/properties during execution of the Contract. However, the value of third party liability for compensation for loss of human life and damage of equipment/property shall be subject to the approval of Owner.

35.11 The Contractor shall ensure that the insurance coverage is obtained to take care of future cost escalation and variation in taxes & duties during the tenure of the Contract. The Contractor shall, if necessary, also enhance and extend the insurance coverage till completion of the work and handing over of the unit.

35.12 In order to maintain adequate cover under comprehensive transit-cum-storage-cum-erection insurance, the Contractor shall fulfill the necessary requirement/obligations of the Insurance Company including provisions of adequate fire fighting facilities, watch & ward etc.

35.13 Imported Cargo Insurance: For imported supplies, the policy shall cover all goods from FOB supply point, i.e., from the point of loading on ships at a foreign port till completion of erection and commissioning.
35.14 The policy shall cover the imported goods on replacement basis, i.e., inclusive of escalations, if any, payable to the foreign suppliers of the Contractor and / or exchange rate fluctuations and / or fluctuations in Ocean Freight, Customs Duty, clearing and forwarding charges, inland freight, etc.

35.15 Automobile Liability Insurance: Covering use of vehicles / mobile equipment used by the Contractor or its Sub-Contractors (whether or not owned by them) in connection with the execution of the Contract.

35.16 Contractor shall ensure that where applicable, its Sub-Contractor(s) shall take out and maintain in effect adequate insurance policies for their personnel and vehicles and for work executed by them under the Contract, unless such Sub-Contractors are covered by the policies taken out by the Contractor.

35.17 The Owner shall be the principal holder of the policy. Sub-Contractors of the Contractor shall not be holders or beneficiaries in the policy nor shall they be named in the policy. Owner reserves the exclusive right to assign the policy.

35.18 While the payment of premium may be phased in agreement with the insurance company, at no time shall goods and services required to be provided by the Contractor shall remain uninsured.

35.19 A copy of the Insurance policy shall be made available to the Owner before start of site activities or first despatch, whichever is earlier and policy shall be kept alive and valid at all times up to date of commissioning.

35.20 The Owner reserves the right to take out whatever policy that is deemed necessary by him if the Contractor fails to keep the said policy alive and valid at all times and / or causes lapses in payment of premium thereby jeopardising the said policy. The cost of such policy(s) shall be recovered / deducted from the amount payable to the Contractor.

35.21 In cases where the erection, modification etc., are to be carried out in the existing shop of the Owner the ‘surrounding value’ shall be intimated by the Owner to the Contractor, who shall ensure that this value is included in the policy.

35.22 In case project gets delayed due to reasons not attributable to Contractor, the actual expenditure incurred by Contractor for additional Insurance Premium towards extension of insurance policies shall be reimbursed by the Owner.

35.23 Upon arrival of plant and Equipment / materials at site the Contractor shall assume custody thereof and remain responsible thereafter for safe custody until the whole plant is successfully commissioned.

35.24 In order to adequately cover the works under such composite and comprehensive insurance, the Contractor shall fulfill the necessary requirements / obligations.

35.25 The Contractor shall arrange Accident Insurance Policy for all his personnel including foreign Experts / Specialists / Personnel deputed to site and
Contractor’s / his sub-contractors’ manufacturing works as well as for his Indian engineers & supervisory staff. The Contractor shall also take out for his Indian workmen a separate policy as per Workmen’s Compensation Act.

35.26 The details of consignment along with its value and vessel’s name and other shipping particulars shall be intimated by the Contractor to the Owner, Underwriter in India and clearing agent immediately after shipment of the consignment.

35.27 In all cases, the Contractor shall lodge the claims with the Underwriters and also settle the claims. All claims shall be settled in India. However, the Contractor shall proceed with the repairs and / or replacement of the equipment / components without waiting for the settlement of the claims. In case of seizure of materials by concerned authorities, the Contractor shall arrange prompt release against bond, security or cash as required. Owner will extend all assistance to the Contractor in such a case.

35.28 All the insurance claims shall be processed by the Contractor and the items which are missing / damaged in transit or during handling, storage, erection and commissioning, shall be replaced / repaired by them without any extra cost to the Owner.

35.29 The Owner at his discretion may arrange for the insurance cover at its own expense. In such an event, the amount quoted towards ‘Comprehensive/Transit, Storage cum erection insurance’ in ‘Summary Price Schedule’, shall not be payable to the contractor. However, processing of all the insurance claims shall be the responsibility of the contractor. Also, the Contractor shall perform all the obligations as mentioned in sub-clauses above.

36.0 NEGLIGENCE

36.1 If the Contractor does not execute the Facilities in accordance with the time schedule stipulated in the NIT/ Contract Agreement and shall neglect to execute the Facilities with due diligence or expedition or shall contravene the provisions of Contract, the Owner may give notice in writing to the Contractor to make good the failure, neglect or contravention complained of within such time as may be deemed reasonable by the Owner and in default of compliance with the said notice, the Owner without prejudice to its rights under Clause 36.2 hereof, may rescind or cancel the Contract holding the Contractor fully liable for the damages that the Owner may sustain.

36.2 Should the Contractor fail to comply with such notice, the Owner shall have at its option the right to take the affected Facilities wholly or in part out of the Contractor’s hands and may complete the Facilities, as envisaged in the Contract either departmentally or by awarding fresh Contract(s) to execute the same, at the risk and cost of the Contractor.

36.3 In such event the Owner shall be entitled to use all materials, construction equipment, tools, tackles and other things of the Contractor and the Owner shall also be entitled to retain and apply any sum which may otherwise be then due as per the Contract or any other Contract from the Owner to the
Contractor as may be necessary for the payment of the cost of execution of such Facilities as aforesaid. If the cost of executing the Facilities as aforesaid shall exceed the sum due to the Contractor, the Contractor shall make payment for the same within the specified period.

37.0 CHANGE IN LAWS AND REGULATIONS

37.1 If, after Effective Date of Contract Agreement, any law, regulation, ordinance, order or by-law having the force of law is enacted, promulgated, abrogated or changed (which shall be deemed to include any change in interpretation or application by the competent authorities) that subsequently affects the costs and expenses of the Contractor, the Contract Price and time of completion shall be correspondingly increased or decreased.

38.0 FORCE MAJEURE

Should at any time during the continuance of this Contract, the performance in whole or in part by either party of any obligation under this Contract, be held by reasons of acts of God, any war, hostility, acts of foreign enemy, civil commotion, sabotage, fires, floods (excluding monsoon), contamination by radioactivity from any nuclear fuel or from nuclear waste radioactive toxic explosives, caused due solely to the design of the works, other than Contractor’s design, pressure waves caused by aircrafts or other aerial devices travelling at sonic or supersonic speeds, loss or damage due to the use or occupation by the Owner of any section or part of the permanent works except as may be provided for in the Contract, earthquakes, explosions, epidemics, cyclones, tsunami, plague, epidemic, quarantine restrictions, government restrictions, law and order and other proclamations etc. or any other happening including judicial, executive or administrative orders of any competent authority, which are beyond the control of either party (hereinafter referred to as “Events”), then provided notice of the happening of any such eventuality is given by either party to the other within ten (10) days from the date of occurrence thereof, neither party shall, by reason of such eventuality, be entitled to terminate this Contract nor shall either party have any claim for damage against the other in respect of such non-performance or delay in performance, and the work under this Contract shall be resumed as soon as practicable after such eventuality has come to an end or ceases to exist. The decision of the Owner as to whether to resume the work or not shall be final and conclusive; at the discretion of the Owner, Time of Completion shall then be extended.

Should one or both the parties be prevented from fulfilling their contractual obligations by a state of Force Majeure lasting continuously for a period of at least forty five (45) days, the two parties should consult each other regarding further implementation of the Contract with the provision that if no mutually satisfactory arrangement is arrived at within a period of one month from the expiry of forty five (45) days referred to above, the Contract shall be deemed to have expired at the end of aforesaid forty five days. Such expiry of the Contract will not relieve the parties from the obligation to reach agreement regarding winding up and financial settlement of the Contract.
The above mentioned force majeure shall not include on strengths which could prudently be foreseen like shortage of power, non-availability of raw materials, difficulties in making transport, break down of machines, strikes, lock-outs etc.

The above mentioned force majeure conditions/clause shall also apply to the works of sub-contractors, supplier provided such sub-contractor/suppliers are named in the Contract.

39.0 WAR RISKS

39.1 “War Risks” shall mean the eventuality of war, hostility, acts of public enemy and civil commotion as specified below:

(a) war, hostilities or warlike operations (whether a state of war be declared or not), invasion, act of foreign enemy and civil war.

(b) rebellion, revolution, insurrection, mutiny, usurpation of civil or military government, conspiracy, riot, civil commotion and terrorist acts.

39.2 Notwithstanding anything contained in the Contract, the Contractor shall have no liability whatsoever for or with respect to

(a) destruction of or damage to property of the Owner or any third party

(b) injury or loss of life if such destruction, damage, injury or loss of life is caused by any War Risks,

and the Owner shall indemnify and hold the Contractor harmless from and against any and all claims, liabilities, actions, lawsuits, damages, costs, charges or expenses arising in consequence of or in connection with the same.

39.3 If the Facilities or any Plant & Equipment, Structures shall sustain destruction or damage by reason of any War Risks, the Owner shall pay the Contractor for:

(a) any part of the Facilities or the Plant & Equipment, Structures so destroyed or damaged (to the extent not already paid for by the Owner) so far as may be required by the Owner, and as may be necessary for completion of the Facilities.

(b) replacing or making good any such destruction or damage to the Facilities or the Plant and Equipment or any part thereof.

If the Owner does not require the Contractor to replace or make good any such destruction or damage to the Facilities, the Owner shall either request a change in accordance with Clause 40 (Change in the Facilities) hereof, excluding the performance of that part of the Facilities thereby destroyed or damaged or, where the loss, destruction or damage affects a substantial part
of the Facilities, shall terminate the Contract, pursuant to Sub-Clause 43.1 (Termination of Contract on Owner’s initiative) hereof.

39.4 Notwithstanding anything contained in the Contract, the Owner shall pay the Contractor for any increased costs or incidentals to the execution of the Contract that are in any way attributable to, consequent on, resulting from, or in any way connected with any War Risks, provided that the Contractor shall as soon as practicable notify the Owner in writing of any such increased cost.

39.5 If during the performance of the Contract any War Risks shall occur that financially or otherwise materially affect the execution of the Contract by the Contractor, the Contractor shall use its reasonable efforts to execute the Contract with due and proper consideration given to the safety of its and its Subcontractors’ personnel engaged in the work on the Facilities, provided, however, that if the execution of the work on the Facilities becomes impossible or is substantially prevented for a period of more than ninety (90) days on account of any War Risks, the parties will develop a mutually satisfactory solution.

H. CHANGE IN CONTRACT ELEMENT

40.0 CHANGE IN THE FACILITIES

40.1 The Owner shall have the right to propose/ consider Contractor’s proposal, and subsequently order the Contractor from time to time during the performance of the Contract to make any change, modification, addition or deletion to, in or from the Facilities (hereinafter called “Change”), provided that such Change falls within the general scope of the Facilities and does not constitute unrelated work and that it is technically practicable, taking into account both the state of advancement of the Facilities and the technical compatibility of Change envisaged with the nature of the Facilities as specified in the Contract.

40.2 Notwithstanding Sub-Claus 40.1 hereof, no change made necessary because of any default of the Contractor in the performance of its obligations under the Contract shall be deemed to be a Change, and such change shall not result in any adjustment of the Contract Price or the Time for Completion.

40.3 If the Owner proposes/ considers Contractor’s proposal for a Change pursuant to Sub-Clause 40.1 hereof, it shall send to the Contractor a “Request for Change Proposal,” requiring the Contractor to prepare and furnish to the Engineer as soon as reasonably practicable a “Change Proposal,” which shall include the following:

(a) brief description of the Change
(b) effect on the Time for Completion
(c) estimated cost of the Change
(d) effect on Functional Guarantees (if any)
(e) effect on any other provisions of the Contract.
40.4 The pricing of any Change shall, as far as practicable, be calculated in accordance with the rates and prices included in the Contract. If such rates and prices are inequitable, the parties thereto shall agree on specific rates for the valuation of the Change.

40.5 Upon receipt of the Change Proposal, the Owner and the Contractor shall mutually agree upon all matters therein contained. Within fourteen (14) days after such agreement, the Owner shall, if it intends to proceed with the Change, issue the Contractor with a Change Order with the approval of competent authority.

40.5.1 If the Owner and the Contractor cannot reach agreement on the price for the Change, an equitable adjustment to the Time for Completion, or any other matters identified in the Change Proposal, the Owner may nevertheless instruct the Contractor to proceed with the Change by issue of a “Pending Agreement Change Order.” Upon receipt of a Pending Agreement Change Order, the Contractor shall immediately proceed with effecting the Changes covered by such Order. The parties shall thereafter attempt to reach agreement on the outstanding issues under the Change Proposal. If the parties cannot reach agreement within one hundred & twenty (120) days from the date of issue of the Pending Agreement Change Order, then the matter may be referred to for the Conciliation / Arbitration as per Clause 6 hereof.

40.5.2 If the Owner decides not to proceed with the Change for whatever reason, it shall, within the said period of fourteen (14) days, notify the Contractor accordingly.

41.0 EXTENSION OF TIME FOR COMPLETION

41.1 The Time(s) for Completion specified in the Contract Agreement shall be extended if the Contractor has delayed or impeded in the performance of any of its obligations under the Contract by reason of any of the following:

(a) any Change in the Facilities as provided in Clause 40 (Change in the Facilities) hereof
(b) any occurrence of Force Majeure as provided in Clause 38 (Force Majeure) hereof, or other occurrence of any of the matters specified or referred to in paragraphs (a) and (b) of Sub-Clause 33.2 hereof
(c) any suspension order given by the Owner under Clause 42 (Suspension) hereof
(d) The default by the Owner under Clause 10 hereof,

if proved to be cause for delay in completion of the Facilities by such period as shall be fair and reasonable in all the circumstances and as shall fairly reflect the delay or impediment sustained by the Contractor.

41.2 The Contractor shall at all times use its reasonable efforts to minimise any delay in the performance of its obligations under the Contract.
SUSPENSION

The Owner reserves the right to suspend and restart any part of the Works without invalidating the provisions of the Contract. Orders for suspension or restart of the Works will be issued by the owner to the Contractor in writing. The time for completion of the works will be extended for a period equal to duration of the suspension mutually agreed & discussed by both parties.

Any necessary and demonstrable costs incurred by the Contractor as a result of such suspension of the works will be paid by the Owner, provided such costs are substantiated to the satisfaction of the owner. The Owner shall not be responsible for any liabilities if suspension or delay is due to some default on part of the Contractor or his sub Contractor.

TERMINATION OF CONTRACT

TERMINATION BY OWNER

The Owner may at any time terminate the Contract for any reason by giving the Contractor a notice of termination that refers to Clause 43.1 hereof.

Upon receipt of the notice of termination under Sub-Clause 43.1.1 hereof, the Contractor shall either immediately or upon the date specified in the notice of termination a) cease all further work, except for such work as the Owner may specify in the notice of termination for the sole purpose of protecting that part of the Facilities already executed, or any work required to leave the Site in a clean and safe condition b) terminate all subcontracts, except those to be assigned to the Owner pursuant to paragraph (d) (ii) below c) remove all Contractor's Equipment from the Site, repatriate the Contractor's and its Subcontractors' personnel from the Site, remove from the Site any wreckage, rubbish and debris of any kind, and leave the whole of the Site in a clean and safe condition d) In addition, the Contractor, subject to the payment specified in Sub-Clause 43.1.3 hereof, shall (i) deliver to the Owner the parts of the Facilities executed by the Contractor up to the date of termination (ii) to the extent legally possible, assign to the Owner all right, title and benefit of the Contractor to the Facilities and to the Plant and Equipment as at the date of termination, and, as may be required by the Owner, in any subcontracts concluded between the Contractor and its Subcontractors (iii) deliver to the Owner all drawings, specifications and other documents prepared by the Contractor or its Subcontractors as at the date of termination in connection with the Facilities.

In the event of the termination of the Contract under Sub-Clause 43.1.1 hereof, the Owner shall pay to the Contractor the Price, the properly attributable to the parts of the Facilities executed by the Contractor as of the date of termination. However, no consequential damages shall be payable by the Owner to the Contractor in the event of termination.
43.3 TERMINATION FOR CONTRACTOR’S DEFAULT

43.3.1 The Owner, without prejudice to any other rights or remedies it may possess, may terminate the Contract forthwith in the following circumstances by giving a notice of termination and its reasons therefor to the Contractor, referring to this Sub-Clause hereof:

(a) if the Contractor becomes bankrupt or insolvent, has a receiving order issued against it, compounds with its creditors, or, if the Contractor is a corporation, a resolution is passed or order is made for its winding up (other than a voluntary liquidation for the purposes of amalgamation or reconstruction), a receiver is appointed over any part of its undertaking or assets, or if the Contractor takes or suffers any other analogous action in consequence of debt.

(b) if the Contractor assigns or transfers the Contract or any right or interest therein in violation of the provision of Clause 17 (Subcontracting) hereof.

43.3.2 If the Contractor

(a) has abandoned or repudiated the Contract

(b) has without valid reason failed to commence work on the Facilities promptly or has suspended the progress of Contract performance for more than twenty-eight (28) days after receiving a written instruction from the Owner to proceed

(c) persistently fails to execute the Contract in accordance with the Contract or persistently neglects to carry out its obligations under the Contract without just cause

(d) refuses or is unable to provide sufficient materials, services or labour (adequate resources) to execute and complete the Facilities in the manner specified in the program furnished under Clause 16 (Program of Performance) hereof, at rates of progress that give reasonable assurance to the Owner that the Contractor can attain Completion of the Facilities by the Time for Completion as per NIT/Contract Agreement.

then the Owner may, without prejudice to any other rights it may possess under the Contract, give a notice to the Contractor stating the nature of the default and requiring the Contractor to remedy the same. If the Contractor fails to remedy or to take steps to remedy the same within fourteen (14) days of its receipt of such notice, then the Owner may terminate the Contract forthwith by giving a notice of termination to the Contractor that refers to this Sub-Clause hereof.

43.3.3 Upon receipt of the notice of termination under Sub-Claus 43.3.1 or 43.3.2 hereof, the Contractor shall, either immediately or upon such date as is specified in the notice of termination,
(a) cease all further work, except for such work as the Owner may specify in the notice of termination for the sole purpose of protecting that part of the Facilities already executed, or any work required to leave the Site in a clean & safe condition

(b) terminate all subcontracts, except those to be assigned to the Owner pursuant to paragraph (d) below

(c) deliver to the Owner the parts of the Facilities executed by the Contractor up to the date of termination

(d) to the extent legally possible, assign to the Owner all right, title and benefit of the Contractor to the Facilities and to the Plant and Equipment as at the date of termination, and, as may be required by the Owner, in any subcontracts concluded between the Contractor and its Subcontractors

(e) deliver to the Owner all drawings, specifications and other documents prepared by the Contractor or its Subcontractors as at the date of termination in connection with the Facilities.

43.3.4 The Owner may enter upon the Site, expel the Contractor, and complete the Facilities itself or by employing any third party at the risk and cost of the Contractor. The Owner may, to the exclusion of any right of the Contractor over the same, take over and use any Contractor’s Equipment owned by the Contractor and on the Site in connection with the Facilities for such reasonable period as the Owner considers expedient for the supply and installation of the Facilities. Upon completion of the Facilities or at such earlier date as the Owner thinks appropriate, the Owner shall give notice to the Contractor that such Contractor’s Equipment will be returned to the Contractor at or near the Site and shall return such Contractor’s Equipment to the Contractor in accordance with such notice. The Contractor shall thereafter without delay and at its cost remove or arrange removal of the same from the Site.

43.3.5 Subject to Sub-Clause 43.3.6 hereof, the Contractor shall be entitled to be paid the Price attributable to the Part of the Facilities executed as at the date of termination, and the costs, if any, incurred in protecting the Facilities and in leaving the Site in a clean and safe condition pursuant to paragraph (a) of Sub-Clause 43.3.3 hereof and rent of the Contractor’s equipment, if any, used by the Owner pursuant to Clause 43.3.4 hereof. Any sums due to the Owner from the Contractor accruing prior to the date of termination shall be deducted from the amount to be paid to the Contractor under this Contract.

43.3.6 If the Owner completes the Facilities, the cost of completing the Facilities by the Owner shall be determined. If the sum that the Contractor is entitled to be paid, pursuant to Sub-Clause 43.3.5 hereof, plus the reasonable costs incurred by the Owner in completing the Facilities, exceeds the Contract Price, the Contractor shall be liable for such excess. If such excess is greater than the sums due to the Contractor under Sub-Clause 43.3.5 hereof, the Contractor shall pay the balance to the Owner, and if such excess is less than
the sums due the Contractor under Sub-Clause 43.3.5 hereof, the Owner shall pay the balance to the Contractor. The Owner and Contractor shall agree, in writing, on the computation described above and the manner in which any sums shall be paid.

43.4 In this Clause 43 hereof, the expression “Facilities executed” shall include all work executed, Installation Services provided, and all Plant & Equipment, Structures acquired (or subject to a legally binding obligation to purchase) by the Contractor and used or intended to be used for the purpose of the Facilities, up to and including the date of termination.

43.5 In this Clause 43 hereof, in calculating any money due from the Owner to the Contractor, account shall be taken of any sum previously paid by the Owner to the Contractor under the Contract, including any advance payment paid pursuant to Clause 12 (Terms of Payment) hereof.

44.0 SURPLUS MATERIALS

44.1 For the purpose of removing surplus materials in its original form only, the Contractor shall submit the documents / records evidencing the entry of materials inside the Plant by producing the Gate Entry Permits and RRs or LRs and consumption statements based on approved drawings after allowing for wastages, maximum 8% cutting allowance, and irrecoverable / unaccountable losses (wastages including loss factors being minimum 2% on Steel and reinforcement rods, minimum 5% on cement and minimum 3% on cables, pipes etc.) to establish the surplus quantity of the materials belonging to the Contractor. The Owner shall allow the Contractor to remove such materials from the Owner’s premises after being satisfied regarding the evidence produced for such removal. Such removal may be permitted even before completion of the entire work.

44.2 The Owner may, on written request from the Contractor, allow him to take back imported surplus materials not covered under the Contract. However, if Owner has incurred expenses for surplus items towards customs, freight or any other account etc., the same shall be reimbursed by the Contractor in case of taking back of such items.

44.3 Scrap in any form whatsoever shall not be removed from Plant premises and shall be the property of the Owner. No credit will be given for scrap.

44.4 The Owner shall allow the Contractor to take out construction equipment, tools & tackles and instruments brought by the Contractor on draw back basis provided the Contractor has carried out necessary documentation at the time of taking such items inside the Plant.
45.0 ACCOMMODATION

45.1 The successful Tenderer shall have to make his own arrangements for the residential accommodation for his employees/ labourers at Bokaro, Jharkhand during the construction and operation period.

46.0 SUPERVISION DURING CONSTRUCTION & OPERATION

46.1 The work shall be carried out by the successful Tenderer under his overall supervision and direction. OWNER or its authorised agency shall have the right to inspect (at any time), which shall not, however, absolve, in any way, the successful Tenderer of his contractual obligations.

47.0 NO CLAIM OR COMPENSATION FOR SUBMISSION OF TENDER

47.1 The Tenderer whose tender is not accepted shall not be entitled to claim any costs, charges and expenses incidental to or incurred by him through or in connection with his submission of tender or its consideration by OWNER, even though OWNER may elect to modify/withdraw the Invitation to Tender or does not accept the tender.

48.0 COMPLIANCE OF LAW

The Tenderer must declare whether the Proprietor or any Partner of the firm or Director of their SELLER as the case may be, has any relation with any employee working with OWNER and if so, give the name of the employee and relationship and also whether any of them has a relationship within the meaning of Section 6 of the Companies Act, 1956, with any of the Directors of KIOCL and if so, the details thereof must be furnished. This is necessary to ensure compliance of sections 297 and 299 of the Companies Act, 1956.

49.0 Canvassing in any form is strictly prohibited and the tenders submitted by the Tenderers, who resort to canvassing, will be liable to rejection.

50.0 Tenderers must be very careful to deliver a bonafide tender and after submitting the tender he will not resile from his offer and should refrain from modifying the terms and conditions thereof without being asked to.
GENERAL CONDITIONS
(For Indigenous Supply)
KIOCL-P/1

1.0 DEFINITIONS
As used herein and any Contract documents, the following words shall have the following meanings.

1.1 “OWNER/PURCHASER” shall mean KIOCL Limited, a Government of India Enterprise having its registered Office at II Block, Koramangala, Bangalore, Karnataka.

1.2 “SUPPLIER/CONTRACTOR” shall mean the person, firm or body corporate contracting with OWNER/PURCHASER for the supply to the OWNER/PURCHASER of any equipment, materials, spares and / or supplies as per the Contract, and shall be deemed to include Suppliers successors (approved by OWNER) representatives, heirs, executors and administrators, unless otherwise excluded by the Contract.

1.3 “SUB-CONTRACTOR” shall mean any individual, firm or body corporate contracting directly with the supplier and not OWNER to furnish Supplier with any portion of the work, other than the purchase of “off the shelf” items or Pre-fabricated machinery or supplies. Supplier shall remain fully liable and responsible to the owner for the work so sub-contracted as well as for all acts and / or commissions of SUB_CONTRACTORS.

1.4 “CONTRACT” shall mean and include the invitation to Tender, Instruction to Tenderers, the Tender, The General Conditions, the specifications, special Conditions, if any, and the acceptance of Tender/ Purchase Order Issued by OWNER all in respect of supply and delivery of the equipment, materials, spares and / or supplies called for by the SPECIFICATIONS and may also include any agreement if and when signed by and between OWNER and SUPPLIER and includes subsequent changes / amendments, if any.

1.5 “WORK” shall mean and include any and all labour, supervision, service, material, machinery equipment, tools, supplies and facilities required for the supply and delivery by Supplier of the equipment, materials, spares and / or supplies called for by the CONTRACT.

1.6 “TENDERER” shall mean the person, firm or body corporate submitting a Tender against the invitation to tender and shall include his/its/their executors, administrators, legal representatives successors and permitted assignees.
1.7 “INVITATION TO TENDER”, shall include the specifications instructions to tenderers, the general conditions etc.

1.8 “TENDER” shall mean the formal quotation submitted by a tenderer proposing to perform the work requested in the invitation to tender issued by OWNER.

1.9 “PATICULARS” shall mean and include.

1.9.1 Specifications:

1.9.2 Drawings: and

1.9.3 Proprietary mark or designated pattern denoting the product of an individual, firm or body corporate.

1.10 “SPECIFICATIONS” shall mean and include the schedules, detailed designs, statements of technical data’, performance and characteristics etc., relating to the work.

1.11 “INSPECTOR” shall mean any person nominated by owner and the said person nominated shall also ascertain the position of deliveries and expedite the same under the contract and periodically and finally inspect the work.

1.12 Words denoting “PERSON” shall include firms, companies, corporations, associations or bodies of individuals whether incorporated or not. Words denoting masculine gender or singular number shall also include the feminine gender and plural number and vice-versa where the CONTRACT so requires or permits. The words ‘ including’ and include(s) as used herein are not to be construed as words of limitation unless the context otherwise requires or unless as contrary intention otherwise appears in the matter.

2.0 AUTHORITY OF PERSON SIGNING DOCUMENT

2.1 A person signing the Tender or any other documents forming a part of the Contract on behalf of another shall be deemed to warrant that he has authority to bind such other and if, on enquiry, it appears that the person so signing had no authority to do so, OWNER may without prejudice to other civil and criminal remedies, cancel the contract and hold the signatory liable for all costs and damages. Any person so signing shall give satisfactory evidence of his authority.
3.0 SECURITY DEPOSIT

3.1 SUPPLIER shall within fifteen days of receipt of OWNER’s acceptance of tender, deposit with the OWNER a security deposit equal to Ten percent (10%) of the CONTRACT value in any one of the following forms:

3.1.1 Cash or Demand Draft payable at Bangalore.

3.1.2 Bank Guarantee as per Annexure-I hereto from any Indian Nationalised Bank, Scheduled Bank or any other established Bank acceptable to the OWNER.

3.2 The Bank Guarantee shall be for the due and faithful performance of the CONTRACT BY SUPPLIER and shall remain binding, notwithstanding such variations, alterations or extensions of time as may be made, given, conceded or agreed to between OWNER and SUPPLIER under these General Conditions or otherwise and shall be in the form as per Annexure-I (enclosed) and the validity of the Bank guarantee shall be extended form time to time as required by OWNER.

3.3 If SUPPLIER fails to provide the Security Deposit within the period specified, such failure will constitute a Breach of Contract and OWNER shall be entitled to terminate the CONTRACT and to place the Purchase Order elsewhere at SUPPLIER’S risk and cost.

3.4 No interest shall be payable by OWNER on the Security Deposits.

3.5 On due performance and completion by the SUPPLIER of CONTRACT in all respects the Security Deposit under the said CONTRACT will be returned without any interest thereon after the expiry of the warranty as per clause No.26 herein below.

4.0 RESPONSIBILITY FOR PERFORMANCE OF CONTRACT

4.1 GENERAL

The SUPPLIER shall be entirely responsible for the due performance of the CONTRACT in all respects according to the terms and conditions of the CONTRACT.
4.1.1 Supplies/items supplies shall strictly adhere to the specification stipulated and shall effectively perform its functions for which purpose it is ordered.

4.1.2 Any approval which OWNER and / or INSPECTOR may give in respect of the work or workmanship involved in the CONTRACT (whether with or without tests carried out by the SUPPLIER / INSPECTOR) shall not absolve the SUPPLIER of this contractual responsibilities and obligations.

4.1.3 Notwithstanding any approval or acceptance given by INSPECTOR, it shall be lawful for OWNER to reject the equipment, materials, spares and / or supplies if it is found that the equipments, materials, spares and / or supplies delivered and / or work carried out by SUPPLIER is not in conformity with the terms and conditions of the CONTRACT in all respects.

4.2 CO-OPERATION WITH OTHER CONTRACTORS / SUPPLIERS

SUPPLIER shall co-operate with OWNER, other SUPPLIERS and CONTRACTORS including SUB-CONTRACTORS, if any, for any associated plant and shall freely exchange all particulars and technical information with them to obtain the most efficient and economical design and to avoid unnecessary duplication of equipment, materials, spares and / or supplies. No remuneration shall be claimed by SUPPLIER from OWNER for such technical co-operation.

4.3 SUB-LETTING OF CONTRACT

SUPPLIER shall not sub-let, transfer or assign the CONTRACT or any part thereof without the express prior written approval of OWNER, other than the purchase of bought out items normally purchased from outside sources. In the event of SUPPLIER contravening this condition, OWNER shall be entitled to terminate the CONTRACT and to place the work elsewhere at SUPPLIER’S risk and expenses and SUPPLIER shall be liable for any loss or damage which OWNER may sustain in consequence or arising out of such replacing of the work.

5.0 RESPONSIBILITY FOR COMPLETENESS

Any equipment, fitting, materials or supplies which may not be specifically mentioned in the SPECIFICATION or drawings but which are usual or necessary for carrying out the works under the CONTRACT within the Scope of the Supply / Work to be executed are to provided for and rendered by the SUPPLIER / CONTRACTOR without extra charge and the equipments / supplies must be complete in all respects.
6.0 QUALITY OF MATERIALS AND WORKMANSHIP

TENDERER / SUPPLIER shall be deemed to have carefully examined and to have knowledge of these General Conditions, the PARTICULARS, special conditions, Instructions to Tenderers and other Documents forming the Invitation to Tender / Contract and also to have satisfied himself as to the nature of the work to be executed and other relevant matters and details.

6.1.1 Any information thus had or obtained from OWNER shall not, in any way, relieve SUPPLIER of his responsibilities under Article 5-0 above.

6.1.2 If SUPPLIER / TENDERER shall have any doubt as to the meaning of any portion of the Invitation to Tender, SUPPLIER / TENDERER shall, before signing Tender set forth the PARTICULARS thereof and submit them to OWNER in writing, in order that such doubt may be removed.

6.2 The work shall be of the best quality and workmanship according to the latest engineering practices existing at the time of acceptance of the TENDER and shall be manufactured from materials of the best quality and highest class for the purpose.

6.2.1 Appropriate factors for safety shall be used throughout the design and specially in the design of all parts subject to varied stresses.

6.2.2 All work shall be performed and completed in a thorough workman like manner and shall follow the best practice in the light of modern developments in the manufacture of high grade equipments notwithstanding any omission in the SPECIFICATION.

6.2.3 SUPPLIER shall provide the equipments, materials, spares and / or supplies with proper safety devices for protection of workman and shall provide suitable removable safety guards for all exposed moving parts such as Gears, Rollers, Chains, Bells, Brake Wheels, Couplings and the like. SUPPLIER warrants that such work will meet the requirements of and be in conformity with, all applicable laws, rules, regulations and ordinances of the Government of India or any sub-division thereof.
7.0 DRAWINGS

7.1 Drawings required to be furnished by SUPPLIER shall be supplied free of cost to OWNER. All drawings shall be supplied in five (5) sets unless otherwise specified.

7.2 SUPPLIER shall furnish to OWNER, at the earliest for approval by Engineer, general arrangement drawings, erection drawings, electrical diagrams, bill of materials, equipment lists, and any other drawings and diagrams required for a complete and serviceable job, showing work to be completed by SUPPLIER and work to be completed by SUB-CONTRACTOR.

7.3 SUPPLIER shall also furnish to OWNER those specific drawings and any other details / information as requested by OWNER.

7.4 Drawings submitted under 7.2 and 7.3 above will be reviewed by OWNER and returned to SUPPLIER signed and stamped either “APPROVED” Approved as noted; or “not approved Resubmit,” “Approved and “Approved as noted”, drawings (following corrections); may then be issued for fabrication / manufacture. “Not Approved Resubmit” drawings shall be corrected and resubmitted for OWNER’s approval.

7.5 After approval by OWNER or his authorised representative, Supplier shall forward one (1) approved reproducible (sepia) and six (6) copies of approved drawing to OWNER. The approval shall be in the form of duly authenticated stamps with signature on the drawing.

7.6 Approval of SUPPLIER’S drawings by OWNER shall not relieve SUPPLIER from any responsibility covered by the requirements of the CONTRACT.

8.0 MANUALS

8.1 The SUPPLIER shall deliver free of cost, the following manuals in 6 (6) copies along with the consignment for all equipments / supplies.

8.1.1 Operating manuals, covering general description, operating principles and operating procedures.

8.1.2 Maintenance manuals covering preventive and corrective maintenance.

8.1.3 Calibration manuals, if applicable.
8.1.4 Spare parts catalogue for mechanical, electrical and instrumentation portion of equipment.

8.1.5 Any other documentation as required in the specification.

8.2 Manuals shall be printed in English good quality paper and shall be contained in suitable durable bindings.

8.3 Manuals provided by SUPPLIERS or his SUB-CONTRACTOR/S shall be completed and shall cover all equipments, materials, spares and / or supplies.

9.0 PROGRESS REPORTS

9.1 Progress reports wherever specified shall be submitted to OWNER once in a month or at frequent intervals in five (5) copies in a form acceptable to OWNER.

9.2 Such progress reports shall indicate, in suitable details, the progress of the procurements of raw materials manufactured both in SUPPLIER’S shops and SUB-CONTRACTOR’S shops, and any other work to be performed by SUPPLIER. Photographs wherever possible shall be submitted.

9.3 The progress reports shall further compare actual versus projected completion dates and describe current and anticipated problems and delay factors, if any. Report shall also include corrective action taken or proposed to be taken without in any way relieving or affecting the SUPPLIER’S responsibility to deliver the equipments within the stipulated delivery / (period)(s).

10.0 CHANGES

10.1 OWNER shall have the right to make such changes and / or variation in the SPECIFICATIONS as may be necessary or desirable from time to time during the subsistence of the CONTRACT till the stage of testing and commissioning.

10.2 Prior to commencement of any additional work based on a change in SPECIFICATION as above involving compensating / reduction on the Contract price, SUPPLIER shall submit to OWNER a detailed estimate in writing of the price for such additional / reduced works.

10.3 Upon approval by OWNER, OWNER shall issue to SUPPLIER a written order covering the changes in work and price, which shall then form part of the CONTRACT. SUPPLIER shall not proceed with any additional work prior to receipt of OWNER’S said written order.
11.0 PRICE

11.1 The prices shall be firm and fixed during the period of CONTRACT. The TENDRER shall quote on the basis as specified in the Invitation to Tender. The transit insurance shall be covered by OWNER.

11.2 The validity of the quotation should be three (3) months from the due date for opening of TENDER.

11.3 STATUTORY LEVIES

11.3.1 Sales Tax, VAT, Excise Duty and other statutory levies shall be paid as applicable during the period of delivery stipulated under the concerned CONTRACT.

11.3.2 Any claim in respect of any increase in price on account of any statutory increase or fresh imposition of Excise Duty, Sales Tax on account of any other Tax or Duty liveable in respect of the equipments/ materials / spares and / or supplies specified in the CONTRACT which takes place after the expiry of original delivery period stipulated in the CONTRACT shall not be admissible on such of the equipments / materials / spares and / or supplies as are delivered after said original delivery period.

11.3.3 Notwithstanding any stipulation in the CONTRACT for increase in price on any other ground no such increase which takes place after the date of delivery stipulated in the CONTRACT, shall be admissible on such of the said equipments / materials / spares and / or supplies, as are delivered after the expiry of the date of delivery stipulated in the CONTRACT.

11.3.4 The Owner shall be entitled to the benefit of any decrease in price on account of reduction in or remission of Customs Duty, Sales Tax, VAT or on account of any other Tax or Duty or on any other grounds as stipulated in the CONTRACT which takes place after the expiry of the date of delivery stipulated in the CONTRACT.

11.3.5 OWNER is a 100% Export Oriented Unit (EOU) and is exempted from payment of terminal excise duty on indigenous capital goods, raw materials, components, spares and consumables in terms of notification No. 1/95-C.E dated 4/1/95 against CT-3 form forwarded to the SUPPLIER.
11.3.5.1 SUPPLIER to furnish the following information to facilitate OWNER to issue CT-3 form:

a) Full postal address of the factory of manufacture.

b) Full postal address of Superintendent of Central Excise under whose jurisdiction the factory falls.

c) Central Excise Tariff / Chapter NO. Under which the item (s) included in the Tender / Purchase Order are classified.

d) Percentage of duty applicable.

11.3.5.2 TENDERER / SUPPLIER shall quote special price taking into account the Deemed Export Benefit as applicable for supplies to 100% EOU.

11.3.5.3 The SUPPLIER should ensure that original, duplicate and triplicate of AR-3A with duplicate copy of excise invoice (Transporter’s copy) are sent to owner (paying authority) along with proof of despatch of goods for claiming 90% of the payment. In addition one photocopy of AR-3A should be sent to the final Consignee along with the consignment.

11.3.5.4 On request, OWNER shall get the Invoice (s) containing details of the relevant supplies certified, by Central Excise authorities to enable the SUPPLIER to claim deemed export benefits, for which purpose he shall forward separate invoice copies incorporating AR-3A details, on completion of supplies.

11.3.5.5 A Certificate of payment will be issued by OWNER on receipt of the items.

11.3.5.6 A disclaimer certificate confirming waiver of claiming export benefits due to OWNER, if any will also be issued, where quotations are specifically given special price applicable to E.O.U.

11.3.5.7 The SUPPLIER should despatch materials only on receipt of CT-3 form, wherever duty exemption is required by OWNER as indicated in the Purchase Order. In case OWNER is unable to furnish CT-3 form for any reason, the SUPPLIER will be specially advised in writing to make payment of Central Excise Duty under “Protest” and
Scrupulously follow rule 233B of Central Excise rule 1944 as laid down in the Central Excise Manual.

11.3.5.8 Any demand for payment of Excise Duty issued by the Central Excise Authorities on account of the failure of SUPPLIER to comply with Excise Procedures, will have to be borne by the SUPPLIER.

12.0 SPARES parts

SUPPLIER shall include in his TENDER a firm priced, itemised list of recommended spare parts necessary for the proper operation and maintenance of the equipments for a period of one (1) year. This quotation shall be valid for 90 days from the date of acceptance of TENDER for the main equipment. It shall be obligatory on the part of SUPPLIER to ensure uninterrupted supply of spare parts for the proper maintenance of the equipments.

13.0 TIME SCHEDULE

13.1 The time and date(s) of delivery of the equipments, materials, spare and / or supplies as agreed to between SUPPLIER- OWNER shall be deemed to be the essence of the CONTRACT, and delivery must be completed not later than the date (s) / so specified.

13.2 Within fifteen (15) days, acceptance of Tender, SUPPLIER shall submit for OWNER’S approval a progress schedule covering all phase of the work including design, procurement, fabrication / manufacture and transportation.

13.3 SUPPLIER shall allow all reasonable facilities to INSPECTORS and OWNER’S representative(s) including free and full access to SUPPLIER’S facilities and to all records having a bearing on the progress and quality of the work and deliveries under the CONTRACT.

14.0 INSPECTION

14.1 INSPECTOR shall have the right to inspect and test the work or any part thereof and to observe any test carried out by SUPPLIER at any time and SUPPLIER, on demand from INSPECTOR shall at no additional charges to OWNER, carry out such tests, in an appropriate manner in the presence of INSPECTOR.

14.2 SUPPLIER shall afford at his own expense full, free and safe access and facilities at his works and / or his SUB-CONTRACTOR’S works for INSPECTOR to carryout and / or observe such inspections and / or tests.
14.3 Any such inspection, examination or testing carried out by INSPECTOR or observed by him shall not relieve Supplier from any of his obligations under the CONTRACT to be otherwise successfully performed by the SUPPLIER.

14.4 SUPPLIER shall give INSPECTOR not less than one week’s notice in writing regarding any tests to be carried out by SUPPLIER or SUB-CONTRACTOR and the period likely to be required for such testing. INSPECTOR shall give the SUPPLIER written notice within five (5) days of receipt of such notice as to whether, INSPECTOR intended to witness the said tests and indicating the dates normally not more than fifteen (15) days from the date of receipt of SUPPLIER’S notice on which Inspector will be available at SUPPLIER’S or his SUB-CONTRACTOR’S facilities for such tests failing which SUPPLIER OR SUB-CONTRACTOR may proceed with the test.

14.5 If INSPECTOR is not present, SUPPLIER shall immediately notify Inspector in writing as to the Test results.

14.6 When the test and / or inspections have been complete to INSPECTOR’S satisfaction, INSPECTOR shall issue a certificate to that effect. No equipment’s, materials, spares or supplies for which tests and / or inspections are performed shall be despatched by SUPPLIER before such certificates are issued.

14.7 INSPECTOR may reject the whole or any part of the work at any time after testing / inspection, if the INSPECTOR at his sole discretion determines the work to be unsatisfactory or does not fulfil the requirements of the CONTRACT. INSPECTOR shall advice SUPPLIER and OWNER in writing as to the grounds for rejection. INSPECTOR’S decision regarding rejection shall be final and binding on the SUPPLIER.

14.8 In the event of any rejection as aforesaid, then without prejudice to the following provision, OWNER shall be at liberty to.

14.8.1 Allow SUPPLIER to offer once again, within a time specified by INSPECTOR, the equipments, materials, spares and / or supplies is replacement of those which have been rejected, the SUPPLIER bearing all costs for such replacement.

OR

14.8.2 Buy the quantity of equipments, materials, spares and / or supplies so rejected of the same or equivalent or the nearest specification from elsewhere at SUPPLIERS risk and cost without affecting SUPPLIER’S liability as regards the supply of any consignments due under the CONTRACT in accordance thereto.
15.0 PACKING, MARKING AND SHIPPING SPECIFICATIONS FOR MATERIALS

15.1 GENERAL

This specification covers packing, making and transports / shipments materials by Road / rails / sea / Air.

15.2 This specification forms an integral part of the CONTRACT in addition to SPECIFICATIONS drawings and instructions explicitly listed in the purchase order.

15.3 SUPPLIER shall comply with all applicable descriptions in this SPECIFICATION depending upon the nature of material. Lack of relevant information and / or documents shall not relieve the SUPPLIER of his responsibility.

15.4 PACKING:

15.4.1 GENERAL:

Workmanship shall be of the highest standards throughout all operations of packing. Materials used shall be in accordance with the best commercial practices and packing shall be withstanding all possible transit hazard for minimum period raging from 4 to 6 months .It shall be capable of withstanding multiple handling and to perform all its functions without any detrimental effect / pitting to the contents of the package / create, bundle etc. Methods used shall be such as to ensure safe delivery of the commodity to its ultimate destination. All packages shall be done in such a manner as to reduce volume as much as possible. Suitable reapers shall be provided on the bottom of the case /crates for easier handling by Fork lift Trucks (2” square reapers per less than 1 Tonne and 3 for more than 1 Tonne)

15.4.1.1 Heavy machinery which includes tables, rollers, counter-weights, machines heads or other movable parts will be blocked and braced to prevent movement, items packed in bundles must be securely tied with steel wire or strapping. Steel reinforcing rods, bars, pipes structural members etc., shall be bundled in uniform length and the weight shall be within breaking strength of the securing wire or strapping.

15.4.1.2 Packages containing fragile articles must be packed with special precautions against risk of breakages.

15.4.1.3 All equipments attachments, accessories, steel structures pipes and fittings shall be painted / greased and or provided with suitable
protective compound / oil to prevent rust, corrosion or damage due to bad weather.

15.4.1.4 All mechanical and electrical equipments and attachments shall be packed in wooden cases with adequate protection inside the case and wherever possible should be sent along with the major equipments. Each item shall be suitably tagged with identification of main equipment, item denomination and reference number to respective assembly drawing. Each item of steel structure shall be identified with erection markings with lettering height of minimum 15 mm. Such marking will be followed by the connection numbers / erection marking, with indelible paint.

15.4.1.5 A copy of the packing list shall accompany the material enclosed in a waterproof envelope fastened to each package.

15.4.2 MECHANICAL EQUIPMENT

Pumps, compressors, etc., shall be packed individually in wooden cases.

15.4.2.1 Before packing, each assembly and / or each compartment shall be enveloped in polythene bags containing silica gel or similar dehydrating compound.

15.4.3.1 Motors and generators shall be packed (individually wherever necessary) in wooden cases. Vents shall be waterproof sealed. Protective paper strip shall be slipped under brushes.

15.4.3.2 Switchgear assemblies shall be packed in wooden cases.

15.4.3.3 General items of electrical material shall be packed in wooden cases, each item moisture proofed. Cable reels shall be wrapped with tar paper. Wooden strips shall be provided to protect reel edges. Ends of H.T. Cables shall be plumbed and sealed with a load-end and when finally planked the cable shall be strapped over with steel bands or hoops.

15.4.4 INSTRUMENTS:

All instruments shall be packed in wooden cases with dial upward and embedded in shock absorbing material. Each instrument shall be enveloped in polythene bag containing silica gel or similar dehydrating compound and with a tag specifying the unit it belongs to. When instruments are packed in several layers in the same case horizontal wooden partitions shall be provided suitably spaced and secured.
to case frame. Mercury and other chemicals to be supplied with instruments shall be packed separately in suitable containers.

15.4.5.1 FITTINGS:

Packing shall be wooden cases or coated and valve flanges protected with plastic caps and tags should contain the type and specification of gland packings used.

15.5 MARKING:

15.5.1 Marking should be for the protect, consignee, consignor, Purchase Order No., gross and net weight dimensions etc., as per enclosed KIOCL Standard Format (Annexure-II)

15.5.2 Cases and crates should be marked with indelible waterproof ink in clear legible characters at least on three sides.

15.5.3 A distinct colour splash in say / red - black around each package / create / bundle shall be given for identification

15.5.4 Additional marking such as “Handle With Care”, “This Side Up” to be indicated by Arrow, ‘Fragile’ or any other Additional indications for protection and safe handling shall be added depending on the type of material.

15.5.5 In case of bundles the shipping marks shall be embossed on metal or similar tag wired securely on each end.

15.5.6 All cases will bear warning signs on the outside denoting the centre of gravity and sling marks. Specific marking for slinging should be provided for all heavy lifts weighing 5 tonnes and above. Top heavy containers will be so marked as either Top Heavy or Heavy ends.

15.5.7 For bulk and uniform material when packed in several cases, progressive serial number shall be indicated in each case.

15.5.8 When packaging material is clean and light coloured, a dark black stencil paint shall be used, However, where packing material is soiled or dark, a coat of flat Zinc white paint shall be applied and allowed to dry before applying the specific markings

15.5.9 In case of large equipments like vessels, heat exchangers, etc., documents contained in the envelopes shall be fastened inside a shell connection with and identifying arrow sign “Documents” applied with indelible paint.
15.5.10 The Railway Receipts (RR) / Lorry Receipts (LR) Airway Bills (AWB) should be made out in favour of the OWNER at Bangalore / Mangalore / Kudremukh as the case may be.

15.6.0 DESPATCH DOCUMENTS:

15.6.1 All documents viz., RR/LR/AWB, Invoice, Packing List, Test Certificate, Drawings and Catalogues should be in English Language.

15.6.2 In addition to the RR/LR/AWB/ Invoices, packing lists, test certificate, shall be made out against each despatch in as many number or copies as shown below at 15.6.5. The invoice and packing list specifically must show uniformly the marks and numbers, contents case wise consignees’ name, destination and all other particulars as per OWNER’S Standards Format enclosed (Annexure-II).

15.6.3 The invoice must show the unit rates and net total price. Items packed separately should also be invoiced and the value shown accordingly, packing list must show, apart from other particulars actual contents in each case net and gross weight and dimensions and the total number of packages. All documents should be duly signed by the SUPPLIER.

15.6.4 DESPATCH INFORMATION:

As soon as any despatch is made, the SUPPLIER shall send immediate information by way of telex / fax message to OWNER, and Insurance Company as specified in the Purchase Order giving particulars of the despatches, Zonal code and Wagon numbers / Name of Lorry Service and Lorry Registration numbers, (as the case may be) Destination, Railway Receipt, LR. No, (as the case may be) Date, total freight amount with confirmation copies by post.

15.6.5 TRANSMISSION OF DESPATCH DOCUMENTS:

SUPPLIER shall obtain the DESPATCH documents in complete sets as quickly as possible after the despatch is made and mailed as shown below so that they are received as early as possible. SUPPLIER shall be fully responsible for any delay and / or demurrage / wharfage etc., in clearance of the consignment at destination due to delay in presentation of the despatch documents or submission of documents.

15.6.5.1 In terms of CONTRACT or otherwise, the complete original set of documents are required to be sent to OWNER through bank, or as specified in the order.
15.6.5.2 Documents consisting of one copy of Lorry receipt / Railway receipt / Airway bill, Invoice, Packing List, Test Certificate, Catalogue / Drawing, if applicable, shall be sent to the following.

a) In-Charge (Stores),
   KIOCL Limited,
   Panambur,
   Mangalore-575010

b) In-Charge Materials, (I & P)
   KIOCL Limited,
   Second Block, Koramangala,
   Bangalore-560034.

c) In-Charge (Finance & Accounts)
   KIOCL Limited,
   Second Block, Koramangala,
   Bangalore-560034.

d) In-Charge (Inspection & Progress)
   KIOCL Limited,
   Second Block, Koramangala,
   Bangalore-560034.

16.0 TRANSIT RISK INSURANCE

Unless otherwise specified in the CONTRACT, all equipments / materials shall be insured against all marine and transit risk on warehouse to warehouse basis by OWNER.

17.0 TRANSPORTATION:

17.1.1 The SUPPLIER is required to transport the items only through reputed and bank approved Transport Carriers or as specified by OWNER.

17.1.2 Wherever the items make a full truckload, the items should be despatched directly to the final consignee on door delivery basis at Mangalore / Bangalore as the case may be.

17.1.3 In case of piece consignments, the same are to be despatched to the Transporter’s godown at Mangalore from where OWNER shall arrange to clear the goods. Transportation should be carried out
only through such Carriers who are having Branch Office / Godown at Mangalore in case of piece consignments.

17.1.4 In all cases of transportation, the OWNER shall be responsible for transit insurance unless otherwise specified in the CONTRACT. Thus the SUPPLIER is required to ensure that the goods are transported under the “Owners Risk” only. Non-compliance shall lead to recovery of the excess insurance premium charged by the transporter from the SUPPLIERS’ bills due for payment.

18.0 RECONSERVATION

18.1 The SUPPLIER should ensure prior to despatch, reconservation of equipment and material for storage for a minimum period 6 months.

18.2 The SUPPLIER should give his recommendation on reconservation procedure to be followed in case the equipments are stored beyond six months period.

18.3 The packages should be marked with the date of preservation of such equipments, which are liable to be damaged, if not reconserved within the specific period.

19.0 TEST ON COMPLETION

19.1 Wherever possible, all tests shall be carried out before despatch.

19.2 The test certificates for all components / materials / equipments as required under the technical specification shall be submitted.

19.3 Should however, it becomes necessary for the final tests as to performance and guarantee (if any) to be held until the equipments materials or supplies to be erected. Such final tests shall be carried out by the OWNER in the presence of SUPPLIER or his designated representative within one (1) month (or such other time as the parties may reasonably agree to from the date of completion of erection or from the date on which the equipments materials and / or supplies are put into operation whichever is later. The cost of these tests shall be to SUPPLIERS account.

19.4 Should the results of these tests not come within the tolerance (if any) specified, the tests shall at OWNER’s option be repeated within one (1) month from the date of equipments, materials and / or supplie’s are ready for retesting.

19.5 The cost of such retesting shall be to supplier’s account.
20.0 FAILURE OF DELIVERY:
Should SUPPLIER fail to make despatch within the time period(s) specified in accordance with Article 13.0 above, OWNER shall be entitled immediately on such failure or at any time thereafter at the entire option of owner to either:

20.1.1 Purchase elsewhere, without notice to SUPPLIER at the risk and cost of the SUPPLIER, the equipments, materials, spares and / or suppliers not delivered, of a similar or the nearest specification without cancelling the CONTRACT in respect of equipment, materials, spares and / or supplies not yet due for shipment / delivery

Or

20.1.2 Cancel the CONTRACT in full or the portion thereof in default, and if so desired to purchase elsewhere the full or defaulted equipment, material, spare and / or supplies or items of similar, or the nearest specification at the risk and cost of SUPPLIER.

21.0 DELAYED DELIVERY AND LIQUIDATED DAMAGES:
OWNER shall be have the option to accept delivery of material after the originally stipulated delivery period in the CONTRACT and in case of acceptance of delayed delivery OWNER shall recover or retain from SUPPLIER as agreed liquidated damages and not as penalty a sum equal to quarter percent (1/4%) of the price of any equipments, materials, spares and / or supplies which SUPPLIER has failed to despatch as aforesaid for each week or part of a week, during which such despatches may be delayed, subject to a maximum limit of five percent (5%) of Contract value.

22.0 FAILURE TO MEET TEST STANDARDS

22.1.1 If the erected equipments, materials and / or supplies fail to meet the test standards under Article 19 shall be found to be defective or otherwise fail to fulfil the terms of CONTRACT. OWNER shall give SUPPLIER written notice setting forth the details of such defects or failure.

22.1.2 SUPPLIER shall immediately correct / remedy such defects and failures or alter the equipments, materials and / or supplies to bring them into compliance with the CONTRACT terms.

22.1.3 If SUPPLIER fails to do so within a reasonable time, as may be stipulated by the OWNER, OWNER may reject and replace, at SUPPLIER’S sole expense, the whole or any portion of the equipments, materials, supplies which are defective or fail to meet CONTRACT terms. Such replacement shall be carried out by
OWNER within a reasonable time and price and, where reasonable possible the same SPECIFICATION or the nearest specification.

22.1.4 SUPPLIER’S liability under this clause shall be satisfied by the payment to OWNER of the assessed difference, if any, between the replacement price of the rejected / non-conforming items including transportation cost, taxes, duties, other incidental expenses and CONTRACT price and any amount previously paid to supplier.

22.1.5 If OWNER is unable to replace the rejected items within, a reasonable time, SUPPLIER’S liability under this clause will be satisfied by repayment of all money paid by OWNER to SUPPLIER in respect of such items.

22.1.6 In the event of rejection by OWNER under this clause, OWNER shall be entitled to use the rejected items in a reasonable and proper manner for time sufficient to enable OWNER to obtain replacement items. Thereafter supplier at his own cost shall immediately remove the rejected / non-conforming items from OWNER’S Premises. Such items shall be at Supplier’s risk from the time of discontinuance of use and if not promptly removed thereafter, OWNER may at his option, with regard to said rejected / non-conforming items return them to SUPPLIER, on ‘Freight collect’ basis or dispose of / or segregate the item as OWNER deems fit but in any event at SUPPLIER’S risk.

23.0 NEGLIGENCE

23.1 If the SUPPLIER shall neglect to execute the work with due diligence or expedition or shall refuse or neglect to comply with any reasonable order given to him in writing by OWNER / INSPECTOR, in connection with the work, or shall contravene the provisions of CONTRACT, the OWNER may give notice in writing to SUPPLIER calling upon him to make good the failure, neglect or contravention complained of, within such time as may be deemed reasonable and in default of the compliance, with the said notice the OWNER without prejudice to his rights under para below hereto, may rescind or cancel the Contract holding the supplier liable for damages that the OWNER may substain in this behalf. The making good of the failure, neglect or contravention hereunder will be governed by provision of Article 20 & 21.

23.2 If SUPPLIER fails to comply with such notices within a reasonable period from the date of serving thereof, in the case of failure, neglect or contravention capable of being made good, within that time or otherwise within such times as may be reasonable necessary for the same making good, then in such case without prejudice to the OWNER’S right under para above hereto, the OWNER shall have the option and be at liberty to take the work
wholly or in part out of the SUPPLIER’S hands and may complete the work envisaged in the CONTRACT at a reasonable price with any other person or persons to execute the same or any part thereof.

23.3 If the cost of executing the work as aforesaid shall exceed the balance due to the SUPPLIER, the outstanding balance shall be paid by the SUPPLIER on the certificate of the OWNER.

24.0 RECOVERY OF SUMS DUE:

24.1 Whenever under this CONTRACT any such of money is recoverable from and payable by the SUPPLIER whenever the owner has preferred any claim against the SUPPLIER, the OWNER shall be entitled to recover and / or to retain such sum by appropriating in part or whole out of the security deposited by the SUPPLIER, and in the event of the Security being insufficient or if no security has been taken from the SUPPLIER, then the balance or the total sum recoverable, as the case may be, shall be deducted / retained from any sum then due or which at any time thereafter may become due to the SUPPLIER under this or any other CONTRACT with the OWNER. Should this sum be not sufficient to cover the full amount recoverable, the SUPPLIER shall pay to the Owner, on demand the remaining balance due.

25.0 PAYMENT:

25.1 All payments to SUPPLIERS shall be made through bank or paid through RTGS or by cheque (less than Rs. 1.0 Lakhs) on a branch of state Bank of India / Union Bank of India as under:

25.1.1 90% of the price of the item(s) on completion of its despatch. SUPPLIER shall submit to OWNER SUPPLIER’S invoice in 5 copies made out in favour of Owner together with consignee copy of Lorry Receipt / Railway Receipt / House Air way Bill, as the case may be, duly endorsed to OWNER together with Inspection Certificate issued by the authorised Inspection Agency and Test / Guarantee certificates (if required). In case of payment made through Bank at SUPPLIER’S request, all the related Bank charges shall be borne by the SUPPLIER.

25.1.2 Payment of the balance 10% price of the item(s) of the contract price within 30 days of receipt by OWNER of the final despatch under the CONTRACT upon presentation of OWNER’S Goods Receipt Note together with Invoice for the balance 10 % payment in 5 copies drawn on OWNER.

25.1.3 In case of full Truck Load / door delivery, payment as at 25.1.1 shall be made on delivery of the consignment at destination against
SUPPLIER’S Invoice in 5 copies together with receipted Transporter’s bill / acknowledgement of receipt of material by the OWNER.

26.0 WARRANTY

26.1 SUPPLIER warrants all equipments, material, supplies and spares supplied under the CONTRACT against defects in workmanship and materials for a period of 12 months from the date commissioning / installation / use or 24 months from the date of the last despatch, whichever comes first. SUPPLIER shall replace any part that may fail or show signs of defects at Owner’s premises in case the same is not repairable. OWNER’S decision as to whether the part is to be repaired or replaced is final. The cost of replacement / repair shall be borne by the SUPPLIER.

26.2 The removal of the defective part(s) from OWNER’S premises shall be SUPPLIER’S responsibility and shall be made at SUPPLIER’S expenses.

26.3 In case of defective parts not repairable at OWNER’S premises, but essential, in the meantime for commercial use of the project, SUPPLIER shall allow OWNER to use the defective parts until they are replaced.

26.4 The provisions of clauses 26.1, 26.2, and 26.3 shall apply to all replaced and renewed parts until the expiration of six (6) months from the date of renewal or replacement or until the end of the warranty mentioned in 26.1 above.

26.5 If any defect is not satisfactorily remedied within reasonable time, OWNER may proceed to make the repair / replacement at SUPPLIER’S risk and expense but without prejudice to any other contractual right, which OWNER may have against Supplier in respect of such defect.

26.6 This issuance of Inspector’s certificate of inspection or certificate of approval shall in no way absolve SUPPLIER from the provisions of this article.

26.7 WARRANTY REPLACEMENT:

Warranty replacement shall be on site to site basis. The component under breakdown would be handed over at site to the SUPPLIER / SUPPLIER’S duly authorised representative. He shall discuss with OWNER and settle the issue of warranty replacement. In case no response is received within 10 days, it shall be presumed that the warranty replacement of all materials handed over shall be effected by the SUPPLIER. Within 7 days thereafter the component under breakdown shall move out of the manufacturer’s works. In case the subject component
is available in the stock of OWNER, the same would be utilised and the replacement could be send immediately.

27.0 INDEMNITY

27.1 SUPPLIER shall at all times save OWNER harmless and indemnify each of them against all claims which may be made in respect of any equipments, material spares and supplies delivered by SUPPLIER under this contract for infringement of any right protected by any patent, registration of design and/or Trade mark. In this connection OWNER shall pass on to SUPPLIER all claims made against OWNER.

28.0 DOCUMENTATION

28.1 All drawings, SPECIFICATIONS, data, notices and other writings required under the CONTRACT shall be in English language and dimensions, weight and volumes shall be in metric system.

28.2 All drawings, SPECIFICATIONS and other data shall be delivered to:

In-Charge (Materials)
KIOCL Limited,
II Block, Koramangala
Bangalore-560 034, INDIA

28.3 All Notices, claims, etc, shall be delivered to:

If to Supplier: at the address set out in the purchase order. If to Owner.

In-Charge (Materials)
KIOCL Limited,
II Block, Koramangala
Bangalore-560 034, INDIA

28.4 All invoices and other claims for payment by SUPPLIER to

In-Charge (Finance & Accounts)
KIOCL Limited,
II Block, Koramangala
Bangalore-560 034, INDIA

With copy to: In-Charge (Materials)
KIOCL Limited,
II Block, Koramangala
Bangalore-560 034, INDIA
29.0 INSOLVENCY AND BREACH OF CONTRACT:

29.1 OWNER may, at any time, by notice, in writing, summarily terminate the CONTRACT without additional compensation to SUPPLIER on the happening of any of the following events that is to say;

29.1.1 If the SUPPLIER shall at any time, before final despatch, be adjudged insolvent or to enter into any arrangement or composition with his creditors, or suspend payment or if the firm be dissolved under the partnership Act,

or

29.1.2 If SUPPLIER, being a Company shall pass a resolution or court shall make an order for the liquidation of its affairs or

29.1.3 If SUPPLIER commits any act of breach of Contract not herein specifically provided for, provided always that such termination shall prejudice any right or action or remedy which, shall have accrued or shall accrue thereafter to OWNER and provided also that SUPPLIER shall be liable to pay OWNER for any extra expenditure OWNER is thereby put to, but SUPPLIER shall not be entitled to any gain on repurchase.

30.0 GOVERNING LAW

30.1 This CONTRACT and all rights’ hereunder shall be governed by the laws of the Union of India for the time being in force and shall be subjected to the jurisdiction of the Courts situated at Bangalore, India.

31.0 FORCE MAJEURE

31.1 Any delay in or failure of performance of CONTRACT by either party hereto shall not constitute defaults by such party or give rise to any claim for damages against it if and to the extent such delay or failure of performance is caused by acts of God, acts of war, hostilities, acts of commission or omissions of Government or Government agencies, invasion, revolution, civil commotion, strikes, lockout, blockade, Embargo, sabotage, fire, flood, severe earthquake, typhoon, cyclone, lightning, plague, epidemic or others etc. or omission or circumstance, which are beyond the reasonable control of the party affected, which they could not have reasonably foreseen and guarded against (hereinafter referred to as Force Majeure)

31.2 The party so affected by an event of Force Majeure shall notify the other parties of the occurrence thereof within ten (10) days of its commencement.
31.3 The Force Majeure referred to above shall not be extended to the SUPPLIER’S SUB-CONTRACTORS works. The SUPPLIER shall be wholly responsible for timely off-loading in cases strikes, lockout, etc., in the SUB-CONTRACTOR’S works.

31.4 Except as provided below neither party shall be by reason of any event of Force Majeure be entitled to terminate this CONTRACT, nor shall either party have any claim for damages against the other in respect of such non-performance or delay in performance.

31.5 Performances and deliveries under this contract shall be resumed as soon as practicable after the event of Force Majeure has ended or ceased to exist with appropriate extension to the time for completion equal to the period of the delay, and the decision of OWNER as to whether deliveries have been so resumed shall be final and conclusive.

31.6 Notwithstanding anything to the contrary stated herein OWNER shall have the right prior to the end of the event of Force Majeure to terminate the CONTRACT without compensation to SUPPLIER if the CONTRACT is suspended by the occurrence of the event of Force Majeure for a period of more than forty-five (45) days. In case of such termination of the CONTRACT SUPPLIER shall repay to the OWNER all advances paid to him in respect of subject CONTRACT.

32.0 RISK OF LOSS

32.1 SUPPLIER guarantees the due return of all OWNER’s property including particulars issued to him and will be responsible for the full value thereof, to be assessed by OWNER, for all loss thereof or damage thereto from whatever cause happening while in possession or control of SUPPLIER, his servants, workman or agents.

33.0 ARBITRATION

33.1 If at any time any question, dispute or difference of whatsoever nature shall arise between OWNER and SUPPLIER upon or in relation to or in connection with the CONTRACT, either party may, forthwith give to the other notice in writing of the such existence of question, dispute or difference, and the same shall be referred arbitration by a sole arbitrator to be appointed by Chairman-cum-Managing Director of the OWNER or any person acting in such capacity.

33.2 Where the arbitrator withdraw from his office for any reason or otherwise the arbitrator is substituted, the Arbitral Proceedings shall continue from that stage onwards and earlier hearings shall not be repeated.

33.3 The language to be used in the Arbitral Proceedings shall be English.
33.4 The award of the Arbitrator shall be final, conclusive and binding on the parties.

33.5 The provisions of Arbitration & Conciliation Act 1996 and rules there under in force shall be applicable to the CONTRACT.

33.6 The venue of arbitration proceedings shall be only Bangalore, India.

33.7 Only Courts in Bangalore shall have jurisdiction regarding the matters relating to the arbitration.
FORM OF BANK GUARANTEE FOR SECURITY DEPOSIT

In consideration of KIOCL Limited (hereinafter called Company) having agreed to exempt .......... (hereinafter called the said Supplier(s) / Contractor(s)) from demand under the terms and conditions of Purchase Order No............... Dated............... made between ............... And .................. for .................. (hereinafter referred to as ‘contract’) of security deposit for the due fulfillment by the said suppliers(s) / Contractor (s) of the terms and conditions contained in the said contract on production of a Bank Guarantee for Rs..........

(Rupees..........................only) we,..........

(hereinafter referred as "the Bank") at the request of Supplier(s) / Contractor(s) do hereby guarantee the payment to the Company an amount not exceeding Rs............

(Rupees............only) and interest thereon at........ percent per annum from the date of demand till payment against any loss or damage caused to or suffered or would be caused to or suffered by the Company by reason of any breach by the said Supplier(s)/ Contractor(s) of any of the terms and conditions contained in the said Contract.

2. We............... do hereby unconditionally and irrevocably undertake to pay to the Company an amount to the extent of Rs. .................. (Rupees .............only) and interest thereon at .................. percent per annum from the date of demand till payment without any demur, merely on a demand from the Company stating that the amount claimed is due by way of loss or damage caused to or suffered or would be caused to or suffered by the Company by reason of breach by the said Supplier(s) / Contractor(s) of any of the terms and conditions contained in the said Contract or by reason of the Supplier(s)/ Contractor(s) failure to perform the said contract. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs..............

(Rupees..........................................................................................only) and interest thereon as mentioned above from the date of demand till payment.

3. Our liability under these presents is absolute and unequivocal and we undertake to pay to the Company the amount so demanded notwithstanding the Supplier(s)/Contractor(s) raising any dispute and / or disputes or filing any suit or proceeding before any Court or tribunal or other Authority. The payment so made by us under this Guarantee shall be a valid discharge of our liability for payment thereunder and the Contractor(s) Supplier(s) shall have no claim against us for making such payment.

4. We.........................further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the contract and that it shall continue to be enforceable till all the dues of the Company under or by virtue of the said contract have been fully paid and its claims satisfied or discharged or till the Company certifies that the terms
and conditions of the said contract have been fully and properly carried out by the
said Supplier(s) / Contractor(s) and accordingly discharges this Guarantee. Unless
a demand or claim under this Guarantee is made on us in writing on or before...........................we shall be discharged from all liability under this
Guarantee thereafter.

5. This Guarantee shall not be revocable by us except with the written consent of the
Company and shall continue to be enforceable till..........................should it be
necessary to extend Guarantee beyond the said date, we undertake to extend the
validity of this Guarantee for such further period as may be required by the
Company, and such extension shall be given one month before the expiry of this
Guarantee filing which the amount covered under this Guarantee shall become
forthwith payable, notwithstanding that the Contract is continuing and /or the
Company has or has not terminated the Contract or preferred any claim against
the Supplier(s) Contractor(s).

6. We................................. further agree with the Company that the Company shall
have the fullest liberty without our consent and without affecting in any manner
our obligations hereunder to vary any of the terms and conditions of the Contract
or to extend time or performance by the said Supplier(s)/ Contractor(s) from time
to time or to postpone for any time or from time to time in exercise of any of the
powers exercisable by the Company against the said Supplier(s) Contractor(s) and
to forbear or enforce any of the terms and conditions relating to the Contract and
we shall not be relieved from our liability by reason of any such variation or
extension being granted to the said Supplier(s)/Contractor(s) or for any
forbearance,act or omission on the part of the Company or any indulgence by the
Company to the said Supplier(s)/Contractor(s) or by any such matter or thing
whatsoever which under the law relating to sureties, but for this provision, have
effect of so relieving us.

7. This Guarantee shall not in any way be affected due to change in our constitution
or by your taking or varying or giving up any securities from the
CONTRACTOR(S)/SUPPLIERS or any other person, firm or Company on its
behalf or by the change in the constitution, winding up dissolution, insolvency or
death as the case may be of the CONTRACTOR(S)/SUPPLIER(S).

8. In order to give full effect to the Guarantee herein contained you shall be entitled
to act as if we were your principal debtors in respect of all your claims against the
CONTRACTOR(S)/SUPPLIER(S) hereby Guaranteed by us as aforesaid and we
hereby expressly waive all our rights of suretyship and other rights if any which
are in any way inconsistent with the above or any other provisions of this
Guarantee.

9. We................................. also undertake not to revoke this Guarantee during its
currency except with previous consent of the Company in writing.
Dated the .............day of .................200

For.................................................................

(indicate the name of Bank)

IMPORTANT NOTE

The following Points should be taken care of while submitting the Bank Guarantee:-

1. The Bank Guarantee should be on non-judicial stamp paper having a value of Rs.100/- or as applicable in the State of Karnataka.

2. The stamp paper should be purchased in the name of the Bank, who give the guarantee and not in the name of the Supplier.

3. The Bank Guarantee should be strictly as per the profoma.

4. The Bank Guarantee should be from any of the Nationalised Bank, Scheduled Bank or any other bank Acceptable to owner.

5. If any correction is made on the guarantee the same should be endorsed by the Bank with its official seal.
FROM: (Supplier's Name and Address)

ANNEXURE-II

TO: IN-CHARGE (STORES)
KIOCL LIMITED
(A GOVT. OF INDIA ENTERPRISE)
,LOCATION AS SPECIFIED IN PURCHASE ORDER
AS FINAL CONSIGNEE)
1.0 DEFINITIONS

As used herein and any Contract documents, the following words shall have the following meanings.

1.1 "OWNER/PURCHASER" shall mean KIOCL Limited, a Government of India Enterprise having its registered Office at II Block, Koramangala, Bangalore, Karnataka, INDIA

1.2 SUPPLIER/CONTRACT shall mean the person, firm or body corporate contracting with OWNER/PURCHASER for the supply to the OWNER/PURCHASE of any equipment, materials, spares and / or supplies as per the CONTRACT and shall be deemed to include SUPPLIER’S successors (approved by OWNER) representatives, heirs, executors and administrators, unless otherwise excluded by the CONTRACT.

1.3 SUB-CONTRACTOR shall mean any individual, firm or body corporate contracting directly with the SUPPLIER and not OWNER to finish SUPPLIER with any portion of the work, other than the purchase of “off the shelf” items or Pre-fabricated machinery or supplies. SUPPLIER shall remain fully liable and responsible to the owner for the work so sub-contracted as well as for all acts and / or commissions of SUB-CONTRACTORS.

1.4 CONTRACT shall mean and include the invitation to Tender, Instruction to Tenderers, the Tender, The General Conditions, the specifications, special Conditions, if any, and the acceptance of Tender/ Purchase Order Issued by OWNER all in respect of supply and delivery of the equipment, materials, spares and / or supplies called for by the SPECIFICATIONS and may also include any agreement if and when signed by and between OWNER and SUPPLIER and includes subsequent changes / amendments, if any.
1.5 WORK shall mean and include any and all labour, supervision, service, material, machinery equipment, tools, supplies and facilities required for the supply and delivery by SUPPLIER of the equipment, materials, spares and / or supplies called for by the CONTRACT.

1.6 TENDERER”shall mean the person firm or body corporate submitting a Tender against the invitation to Tender and shall include his/its/their executors, administrators, legal representatives successors and permitted assignees.

1.7 INVITATION TO TENDER”, shall include the SPECIFICATIONS, instructions to tenderers, the General Conditions etc.

1.8 “TENDER” shall mean the formal quotation submitted by a tenderer proposing to perform the work requested in the invitation to Tender issued by OWNER.

1.9.0 PARTICULARS shall mean and include.

1.9.1 Specifications:

1.9.2 Drawings: and

1.9.3 Proprietary mark or designated pattern denoting the product of an individual, firm or body corporate.

1.10 SPECIFICATIONS shall mean and include the schedules, detailed designs, statements of technical data’, performance and characteristics etc., relating to the work.

1.11 INSPECTOR shall mean any person nominated by the OWNER and the said person nominated shall also ascertain the position of deliveries and expedite the same under the contract and periodically and finally inspect the work.
1.12 Words denoting person shall include firms, companies, corporations, associations or bodies of individuals whether incorporated or not. Words denoting masculine gender or singular number shall also include the feminine gender and plural number and vice-versa where the CONTRACT so requires or permits. The words 'including' and "include(s)" as used herein are not to be construed as words of limitation unless the context otherwise requires or unless as contrary intention otherwise appears in the matter.

2.0 AUTHORITY OF PERSON SIGNING DOCUMENTS

2.1 A person signing the Tender or any other documents forming a part of the CONTRACT on behalf of another shall be deemed to warrant that he has authority to bind such other and if one enquiry, it appears that the person so signing had no authority to do so, OWNER may without prejudice to other civil and criminal remedies, cancel the contract and hold the signatory liable for all costs and damages. Any person so signing shall give satisfactory evidence of his authority.

3.0 SECURITY-DEPOSIT

3.1 SUPPLIER shall within fifteen days of receipt of OWNER’s acceptance of tender, deposit with the OWNER A security deposit equal to Ten percent (10%) of the CONTRACT value in any one of the following forms:

3.1.1 Cash or Demand Draft payable at Bangalore.

3.1.2 Bank Guarantee as per Annexure-1 hereto from any Indian Nationalised Bank, Scheduled Bank or any other established Bank acceptable to the OWNER. If the Bank Guarantee is from non Indian Bank, the SUPPLIER shall have the said Bank Guarantee properly stamped at Bangalore, Karnataka, India by the Foreign Bank’s Associates, subsidiaries or agents in India in accordance with the laws applicable in the State of Karnataka.
3.1.3 Letter of Credit duly confirmed by State Bank of India, Commercial Branch, Krishi Bhavan, Hudson Circle, Bangalore-560 001.

3.2 The Bank Guarantee shall be for the due and faithful performance of the CONTRACT BY SUPPLIER and shall remain binding, notwithstanding such variations, alterations or extensions of time as may be made, given, conceded or agreed to between OWNER and SUPPLIER under these General Conditions or otherwise and shall be in the form as per Annexure-I (enclosed) and the validity of the Bank Guarantee shall be extended from time to time as required by OWNER.

3.3 If SUPPLIER fails to provide the security Deposit within the period specified, such failure will constitute a breach of CONTRACT and OWNER shall be entitled to terminate the CONTRACT and to place the Purchase Order elsewhere at SUPPLIER’S risk and cost.

3.4 No interest, shall be payable by OWNER on the Security Deposits.

3.5 On due performance and completion by the SUPPLIER of CONTRACT in all respects, the Security Deposit under the said CONTRACT will be returned without any interest thereon after the expiry of the warranty as per clause No.24 herein below.

4.0 RESPONSIBILITY FOR PERFORMANCE OF CONTRACT
4.1 GENERAL

The SUPPLIER shall be entirely responsible for the due performance of the CONTRACT in all respects according to the terms and conditions of the CONTRACT.

4.1.1 Supplies/items supplied shall strictly adhere to the specification
stipulated and shall effectively perform its functions for which purpose it is ordered.

4.1.2 Any approval which OWNER and / or INSPECTOR may give in respect of the work or workmanship involved in the CONTRACT(whether with or without tests carried out by the SUPPLIER / INSPECTOR) shall not absolve the SUPPLIER of his contractual responsibilities and obligations.

4.1.3 Notwithstanding any approval or acceptance given by INSPECTOR, it shall be lawful for OWNER to reject the equipment, materials, spares and / or supplies if it is found that the equipments, materials, spares and / or supplies delivered and / or work carried out by SUPPLIER is not in conformity with the terms and conditions of the CONTRACT in all respects.

4.2 CO-OPERATION WITH OTHER CONTRACTORS / SUPPLIERS:

SUPPLIERS shall co-operate with OWNER, other SUPPLIERS and CONTRACTORS including SUB-CONTRACTORS, if any, for any associated plant and shall freely exchange all particulars and technical information with them to obtain the most efficient and economical design and to avoid unnecessary duplication of equipment, materials, spares and / or supplies. Supplier from OWNER shall claim no remuneration for such technical co-operation.

4.3 SUB-LETTING OF CONTRACT:
SUPPLIER shall not sub-let, transfer or assign the CONTRACT or any part thereof without the express prior written approval of OWNER, other than the purchase of bought out items normally purchased from outside sources. In the event of SUPPLIER contravening this condition, OWNER shall be entitled to terminate the CONTRACT and to place the work elsewhere at SUPPLIER’S risk and expenses and SUPPLIER shall be liable for any loss or damage which OWNER may sustain in consequence or arising out of such replacing of the work.
5.0 RESPONSIBILITY FOR COMPLETENESS

Any equipment, fitting, materials or supplies which may not be specifically mentioned in the SPECIFICATION or drawings but which are usual or necessary for carrying out the works under the CONTRACT within the Scope of the Supply / Work to be executed are to provided for and rendered by the SUPPLIER / CONTRACTOR without extra charge and the equipments / supplies must be complete in all respects.

6.0 QUALITY OF MATERIALS AND WORKMANSHIP

TENDERER / SUPPLIER shall be deemed to have carefully examined and to have knowledge of these General Conditions, the PARTICULARS, special conditions, Instructions to Tenderers and other Documents forming the Invitation to Tender / Contract and also to have satisfied himself as to the nature of the work to be executed and other relevant matters and details.

6.1.1 Any information thus had or obtained from OWNER shall not, in any way, relieve SUPPLIER of his responsibilities under Article 5-0 above.

6.1.2 If SUPPLIER / TENDERER shall have any doubt as to the meaning of any portion of the Invitation to Tender, SUPPLIER / TENDERER shall, before signing Tender set forth the PARTICULARS thereof and submit them to OWNER in writing, in order that such doubt may be removed.

6.2 The work shall be of the best quality and workmanship according to the latest engineering practices existing at the time of acceptance of the TENDERS and shall be manufactured from materials of the best quality and highest class for the purpose.

6.2.1 Appropriate factors for safety shall be used thorough the design and specially in the design of all parts subject to varied stresses.
6.2.2 All work shall be performed and completed in a thorough workman like manner and shall follow the best practice in the light of modern developments in the manufacture of high grade equipments notwithstanding any omissions in the SPECIFICATION.

6.2.3 Supplier shall provide the equipments, materials, spares and / or supplies with proper safety devices for protection of workman and shall provide suitable removable safety guards for all exposed moving parts such as Gears, Rollers, Chains, Bells, Brake Wheels, Couplings and the like. SUPPLIER warrants that such work will meet the requirements of and be in conformity with all applicable laws, rules, regulations and ordinances of the Government of India or any sub-division thereof.

7.0 DRAWINGS

7.1 Drawings required to be furnished by SUPPLIER shall be supplied free of cost to OWNER. All drawings shall be supplied in five (5) sets unless otherwise specified.

7.2 SUPPLIER shall furnish to OWNER, at the earliest for approval by Engineer, general arrangement drawings, erection drawings, electrical diagrams, bill of materials, equipment lists, and any other drawings and diagrams required for a complete and serviceable job, showing work to be completed by SUPPLIER and work to be completed by SUB_CONTRACTOR.

7.3 SUPPLIER shall also furnish to OWNER those specific drawings and any other details / information as requested by OWNER.

7.4 Drawings submitted under 7.2 and 7.3 above will be REVIEWS by OWNER and returned to SUPPLIER signed and stamped either "APPROVED"APPROVED as noted; or not approved Resubmit, Approved and Approved as noted, drawings (following corrections) may then be issued for fabrication / manufacture. Not Approved Resubmit" drawings shall be
corrected and resubmitted for OWNER’s approval.

7.5 After approval by OWNER or his authorised representative, SUPPLIER shall forward one (1) approved reproduceable (sepia) and six (6) copies of approved drawing to OWNER. The approval shall be in the form of duly authenticated stamps with signature on the drawing.

7.6 Approval of SUPPLIER’S drawings by OWNER shall not relieve SUPPLIER from any responsibility covered by the requirements of the CONTRACT.

8.0 MANUALS

8.1 The SUPPLIER shall deliver free of cost, the following manuals in 6 (6) copies along with the consignment for all equipments / supplies.

8.1.1 Operating manuals, covering general description, operating principles and operating procedures.

8.1.2 Maintenance manuals covering preventive and corrective maintenance.

8.1.3 Calibration manuals, if applicable.

8.1.4 Spare parts catalogue for mechanical, electrical and instrumentation portion of equipment.

8.1.5 Any other documentation as required in the specification.

8.2 Manuals shall be printed in English on good quality paper and shall be contained in suitable durable bindings.
8.3 Manuals provided by SUPPLIERS or his SUB-CONTRACTOR/S shall be complete and shall cover all equipments, materials, spares and / or supplies.

9.0 PROGRESS REPORTS

9.1 Progress reports wherever specified shall be submitted to OWNER once in a month or at frequent intervals in five (5) copies in a form acceptable to OWNER in English.

9.2 Such progress reports shall indicate, in suitable details, the progress of the procurements of raw materials manufactured both in SUPPLIER’S shops and SUB-CONTRACTOR’S shops, and any other work to be performed by SUPPLIER. Photographs wherever possible shall be submitted.

9.3 The progress reports shall further compare actual versus projected completion dates and describe current and anticipated problems and delay factors, if any. Report shall also include corrective action taken or proposed to be taken without in any way relieving or affecting the SUPPLIER’S responsibility to deliver the equipments within the stipulated delivery date(s) / (period)(s).

10.0 CHANGES

10.1 OWNER shall have the right to make such and / or variation in the SPECIFICATIONS as may be necessary or desirable from time to time during subsistence of the CONTRACT till the stage of testing and commissioning.

10.2 Prior to commencement of any additional work based on a change in SPECIFICATION as above involving compensating / reduction on the Contract price, SUPPLIER shall submit to OWNER a detailed estimate in writing of the price for such additional / reduced works.

10.3 Upon approval by OWNER, OWNER shall issue to SUPPLIER a written order covering the changes in work and price which shall then form part of the CONTRACT. SUPPLIER shall not proceed with any additional work prior to receipt of OWNER’S said written order.
11.0 SPARES PARTS

SUPPLIER shall include in his Tender a firm priced, itemised list of recommended spare parts necessary for the proper operation and maintenance of the equipment for a period of one (1) year.

This quotation shall be valid for 90 days from the date of acceptance of Tender for the main equipment. The TENDERER shall also quote itemised individual prices for the insurance spares necessary for uninterrupted operation of the equipment. It shall be obligatory on the part of Supplier to ensure uninterrupted supply of spare parts for the proper maintenance of the equipments.

12.0 TIME SCHEDULE

12.1 The time and date(s) of delivery of the equipments, materials, spare and / or supplies as agreed to between SUPPLIER- OWNER shall be deemed to be essence of the CONTRACT, and delivery must be completed not later than the date (s) / so specified.

12.2 Within fifteen (15) days, of the acceptance of Tender, SUPPLIER shall submit for OWNER’S approval a progress schedule covering all phases of the work including design, procurement, fabrication / manufacture and transportation.

12.3 SUPPLIER shall allow all reasonable facilities to INSPECTORS and OWNER’S representative(s) including free and full access to SUPPLIER’S facilities and to all records having a bearing on the progress and quality of the work and deliveries under the CONTRACT.
13.0 INSPECTION

13.1 INSPECTOR shall have the right to inspect and test the work or any part thereof and to observe any test carried out by SUPPLIER at any time and SUPPLIER, on demand from INSPECTOR shall at no additional charges to OWNER, carry out such tests, in an appropriate manner in the presence of INSPECTOR.

13.2 SUPPLIER shall afford at his own expense full, free and safe access and facilities at his works and / or his SUB-CONTRACTOR’S works for INSPECTOR to carry out and / or observe such inspections and / or tests.

13.3 Any such inspection, examination or testing carried out by INSPECTOR or observed by him shall not relieve Supplier from any of his obligations under the CONTRACT to be otherwise successfully performed by the SUPPLER.

13.4 SUPPLIER shall give INSPECTOR not less than one week’s notice in writing regarding any tests to be carried out by SUPPLIER or SUB-CONTRACTOR and the period likely to be required for such testing. INSPECTOR shall give the SUPPLIER written notice within five (5) days of receipt of such notice as to whether, INSPECTOR intends to witness the said tests and indicating the dates normally not more than fifteen (15) days from the date of receipt of SUPPLIER’S notice on which Inspector will be available at SUPPLIER’S or his SUB-CONTRACTOR’S facilities for such tests failing which SUPPLIER OR SUB-CONTRACTOR may proceed with the test.

13.5 If INSPECTOR is not present, SUPPLIER shall immediately notify Inspector in writing as to the test results.
13.6 When the test and / or inspections have been complete to INSPECTOR’S satisfaction, INSPECTOR shall issue a certificate to that effect. No equipments, materials, spares or supplies for which tests and / or inspections are performed shall be despatched by SUPPLIER before such certificates are issued.

13.7 INSPECTOR may reject the whole or any part of the work at any time after testing / inspection, if the INSPECTOR at his sole discretion determines the work to be unsatisfactory or does not fulfil the requirements of the CONTRACT.

INSPECTOR shall advice SUPPLIER and OWNER in writing as to the grounds for rejection. INSPECTOR’S decision regarding rejection shall be final and binding on the SUPPLIER.

13.8 In the event of any rejection as aforesaid, then without prejudice to the for going provision, OWNER shall be at liberty to.

13.8.1 Allow SUPPLIER to offer once again, within a time specified by INSPECTOR, the equipments, materials, spares and / or supplies in replacement of those which have been rejected, the SUPPLIER bearing all costs for such replacement.

Or

13.8.2 Buy the quantity of equipments, materials, spares and / or supplies so rejected of the same or equivalent or the nearest specification from elsewhere at SUPPLIERS risk and cost without affecting SUPPLIER’S liability as regards the supply of any consignments due under the CONTRACT in accordance thereto.
14.0 PRICE

14.1 The Supplier shall quote item-wise price(s) on FAS port of shipment for items being offered for shipment from North American Sea ports or FOB port of shipment from all other ports. The mutual responsibilities shall be as per INCO TERMS as amended from time to time. The price shall include export packing charges, inland freight to the port of shipment, terminal handling charges, container handling charges, if any etc.

14.2 Supplier shall indicate separately the inland freight from place of manufacture to the port of shipment and insurance, if any, contained in his price. The Supplier shall also indicate separately the ocean freight.

14.3 Where prices are quoted on FAS Port of shipment basis, the Supplier’s liability shall be deemed to cover as on FOB port basis, as defined by INCO TREMS including lifting charges, port charges, wharfage / container handling charges, terminal handling charges if any, etc.

14.4 For all small consignment, instruments of delicate nature etc. SUPPLIER shall quote prices on FOB international (gateway) Airport basis as per INCO TERMS.

15.0 DELIVERY

15.1 SUPPLIER shall be responsible to deliver shipments free alongside ship (FAS) / Free on Board (FOB) at port of shipment or FOB International Airport as specified in the ORDER.

15.2 SUPPLIER shall include and provide for securely protecting and packing the equipments, materials, supplies and spares so as to avoid loss or damage in transit including extended ocean shipment and storage under tropical conditions. All packing shall allow for easy removal and checking at
the site. Special precaution shall be taken in case of transit by sea. Details regarding provisions for packing and marking all deliveries set out in Annexure-II attached hereto and made a part hereof. All cost in this regard shall be to SUPPLIERS account.

15.3 SUPPLIER shall be responsible for obtaining any export license / permit required for export from the country of manufacture of the equipments, materials, supplies and / or spares called for hereunder and all expenses incidental to the performance of statutory or non-statutory obligation in this regard shall be to SUPPLIER’S account.

15.4 Special conditions regarding shipment and transportation are set out in schedule attached hereto and made a part hereof (Annexure-II) 
15.5 Should the Freight Forwarder fail to provide the shipping space at the time intimation given by the SUPPLIER, receipt of the consignment by the freight forwarder shall be taken as date of delivery to the OWNER for the purpose of levy of liquidated damages as per provision at article 19.0 below. 
15.6 In case of shipment by Air, SUPPLIER shall arrange such shipments only through consolidation Agent nominated / specified in the Purchase Order.

16.0 RECONSERVATION

16.1 The SUPPLIER should ensure prior to dispatch, reconservation of equipment and material for storage for minimum period 6 months.

16.2 The SUPPLIER should give his recommendation on reconservation procedure to be followed in case the equipments are stored beyond six months period.

16.3 The packages should be marked with the date of preservation of such equipments, which are liable to be damaged, if not reconserved within the specific period.
17.0 **TEST ON COMPLETION**

17.1 Wherever possible, all tests shall be carried out before dispatch.

17.2 The test certificates for all components / materials / equipments as required under the technical specification shall be submitted.

17.3 Should however, it becomes necessary for the final tests as to performance and guarantee (if any) to be held until the equipments materials or supplies to be erected, at site, such final tests shall be carried out by the OWNER in the presence of SUPPLIER or his designated representative within one (1) month (or such other time as the parties any reasonably agree to) from the date of completion of erection or from the date on which the equipments materials and / or supplies are put into operation whichever is later. The cost of these tests shall be to SUPPLIERS account.

17.4 Should the results of these tests not come within the tolerance (if any) specified, the tests shall at Owner’s option be repeated within one (1) month from the date of equipments, materials and / or supplies are ready for retesting.

17.5 The cost of such retesting shall be to supplier's account.

18.0 **FAILURE OF DELIVERY**:

Should SUPPLIER fail to make despatch within the time period(s) specified in accordance with Article 13.0 above, OWNER shall be entitled immediately on such failure or at any time thereafter at the entire option of owner to either.

18.1.1 Purchase elsewhere, without notice to SUPPLIER at the risk and cost of the SUPPLIER, the equipments, materials, spares and / or suppliers not
delivered, of a similar or the nearest specification without canceling the CONTRACT in respect of equipment, materials, spares and / or supplies not yet due for shipment / delivery

Or

18.1.2 Cancel the CONTRACT in full or the portion thereof in default, and if so desired to purchase elsewhere the full or defaulted equipment, material, spare and / or supplies or items of similar, or the nearest specification at the risk and cost of SUPPLIER.

19.0 DELAYED DELIVERY AND LIQUIDATED DAMAGES:

OWNER shall be have the option to accept delivery of material after the originally stipulated delivery period in the CONTRACT and in case of acceptance of delayed delivery OWNER shall recover or retain from SUPPLIER as agreed liquidated damages and not as penalty a sum equal to quarter percent (1/4\%) of the price of any equipments, materials, spares and / or supplies which SUPPLIER has failed to despatch as aforesaid for each week or part of a week, during which such despatches may be delayed, subject to a maximum limit of five percent (5\%) of Contract value.

20.0 FAILURE TO MEET TEST STANDARTDS

20.1.1 If the erected equipments, materials and / or supplies fail to meet the test standards under Article 19 shall be found to be defective or otherwise fail to fulfill the terms of CONTRACT. OWNER shall give SUPPLIER written notice setting forth the details of such defects or failure.

20.1.2 SUPPLIER shall immediately correct / remedy such defects and failures or alter the equipments, materials and / or supplies to bring them into compliance with the CONTRACT terms.
20.1.3 If SUPPLIER fails to do so within a reasonable time, as may be stipulated by the OWNER, OWNER may reject and replace, at SUPPLIER’S sole expense, the whole or any portion of the equipments, materials, supplies which are defective or fail to meet CONTRACT terms. Such replacement shall be carried out by OWNER within a reasonable time and price and, where reasonable possible the same SPECIFICATION or the nearest specification.

20.1.4 SUPPLIER’S liability under this clause shall be satisfied by the payment to OWNER of the assessed difference, if any, between the replacement price of the rejected / non-conforming items including transportation cost, taxes, duties, other incidental expenses and CONTRACT price and any amount previously paid to supplier.

20.1.5 If OWNER is unable to replace the rejected items within, a reasonable time, SUPPLIER’S liability under this clause will be satisfied by repayment of all money paid by OWNER to SUPPLIER in respect of such items.

20.1.6 In the event of rejection by OWNER under this clause, OWNER shall be entitled to use the rejected items in a reasonable and proper manner for time sufficient to enable OWNER to obtain replacement items. Thereafter supplier at his own cost shall immediately remove the rejected / non-conforming items from OWNER’S premises. Such items shall be at Supplier’s risk from the time of discontinuance of use and if not promptly removed thereafter, OWNER may at his option, with regard to said rejected / non-conforming items return them to SUPPLIER, on ‘Freight collect’ basis or dispose of / or segregate the item as OWNER deems fit but in any event at SUPPLIER’S risk.
21.0 NEGLIGENCE

21.1 If the SUPPLIER shall neglect to execute the work with due diligence or expedition or shall refuse or neglect to comply with any reasonable order given to him in writing by OWNER / INSPECTOR, in connection with the work, or shall contravene the provisions of CONTRACT, the OWNER may give notice in writing to SUPPLIER calling upon him to make good the failure, neglect or contravention complained of, within such time as may be deemed reasonable and in default of the compliance, with the said notice the OWNER without prejudice to his rights under para below hereto, amy rescind or cancel the Contract holding the supplier liable for damages that the OWNER may sustain in this behalf. The making good of the failure, neglect or contravention hereunder will be governed by provision of Article 18 & 19.

21.2 If SUPPLIER fails to comply with such notices within a reasonable period from the date of serving thereof, in the case of failure, neglect or contravention capable of being made good, within that time or otherwise within such times as may be reasonable necessary for the same making good, then in such case without prejudice to the OWNER’S right under para above hereto, the OWNER shall have the option and be at liberty to take the work wholly or in part out of the SUPPLIER’S hands and may complete the work envisaged in the CONTRACT at a reasonable price with any other person or persons to execute the same or any part thereof.

21.3 If the cost of executing the work as aforesaid shall exceed the balance due to the SUPPLIER, the outstanding balance shall be paid by the SUPPLIER on the certificate of the OWNER.

22.0 RECOVERY OF SUMS DUE:

22.1 Whenever under this CONTRACT any such of money is recoverable from and payable by the SUPPLIER whenever the owner has preferred any claim against the SUPPLIER, the OWNER shall be entitled to recover and / or to retain such sum by appropriating in part or whole out of the security
deposited by the SUPPLIER, and in the event of the Security being insufficient or if no security has been taken from the SUPPLIER, then the balance or the total sum recoverable, as the case may be, shall be deducted / retained from any sum then due or which at any time thereafter may become due to the SUPPLIER under this or any other CONTRACT with the OWNER. Should this sum be not sufficient to cover the full amount recoverable, the SUPPLIER shall pay to the Owner, on demand, the remaining balance due.

23.0 PAYMENT:

23.1 All payments due to SUPPLIER hereunder shall be made under Letter of Credit established through a bank in the country of manufacture and valid for a period extending until the date of shipment and payment schedule set out in the CONTRACT. OWNER shall be responsible for the charges for opening the Letter of Credit. All other expenses incidental to maintenance of the Letter of credit shall be borne by SUPPLIER. Charges for extending the duration of the letter of credit shall be to SUPPLIER’S account if
INVITATION TO BID, INSTRUCTION TO BIDDERS,
FORM OF BID
AND
GENERAL CONDITIONS OF CONTRACT

KIOCL Limited
REGISTERED AND CORPORATE OFFICE
II BLOCK, KORAMANGALA, BANGALORE – 560 034.
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INVITATION TO BID
INVITATION TO BID

No…………………………….

Date:

Dear Sirs,

Sub:…………………………………………………

1. Bid documents for the above work are enclosed herewith.

2. Sealed bids will be received until 15.00 hours 1ST on …………………………at the location shown below
Bids received after this date are liable to be rejected as per Instructions to Bidders.

3. The Bidders shall abide by all the details of "Instructions to Bidders" enclosed with the tender documents,
Sealed bids shall be submitted in the manner as mentioned below:

   a) First envelope shall contain technical and commercial portions of the offer in four copies and shall
be superscribed as "UNPRICED" - "NAME OF THE WORK" containing one full set of all tender
documents including all the annexures duly filled-in and signed with official seal on all pages but without
any mention of rates and prices.

   b) Second sealed envelope superscribed "EMD-NAME OF THE WORK" shall contain Demand Draft/Bank
Guarantee towards Earnest Money Deposit.

   c) Third sealed envelope superscribed as "PRICED" - "NAME OF THE WORK" containing schedule of
units, quantities and prices of the tender document with all the rates, prices etc. duly signed with official
seal on all pages.

   Tenderer shall strictly submit the offer in the way as mentioned above.
Sealed bids with the above markings and marked "Confidential" shall be addressed to

   a) KIOCL Limited, II Block, Koramangala, Bangalore – 560 034
   OR

   b) KIOCL Limited, Panambur, Mangalore – 575 010
   OR

   c) KIOCL Limited, Kudremukh, Chickmagalur District – 577 142

   As may be applicable.

4. The bid shall be accompanied by an Earnest Money Deposit (EMD) of Rs………………
(Rupees………………………………………………. only ) to be deposited only in the form of Demand Draft on a
Scheduled Bank drawn in favour of "KIOCL Limited, Mangalore/Bangalore/Kudremukh" if the EMD amount is
upto and inclusive of Rs. 2 lakhs and Bank Guarantee towards EMD as per the KIOCL's approved format will also
be acceptable if the EMD amount is more than Rs. 2 lakhs. No interest will be paid on Earnest Money Deposit. No
other form of Earnest Money Deposit will be accepted. Bids not accompanied by EMD shall be liable to be
rejected at the sole discretion of the OWNER without any further consideration.

5. This Earnest Money shall be returned to unsuccessful Bidders within 28 days after deciding the successful Bidder
and in case of the successful Bidder, the same shall be returned after submission and acceptance of the Security
Deposit for this work referred to in Article No.37 of "General Conditions of Contract".

6. Acceptance of the Bid will be intimated to successful Bidder through a Letter Of Intent (LOI) / Work Order/Supply
Order.

   The time of completion of all works under this Contract shall be ………………. from the date of issue of Letter of
Intent/Work Order/Supply Order.

Thanking you,

Yours faithfully,

for KIOCL Limited.

Encl : As stated
INSTRUCTIONS TO BIDDERS
INSTRUCTIONS TO BIDDERS

1.0 PURPOSE

1.1 It is the purpose of these instructions to serve as a guide to Bidders when preparing proposal for the work described in the attached specifications.

2.0 TENDER CONDITIONS

2.1 Sealed Bids will be received until 15.00 1ST hours on the date indicated in the Invitation to Tender/Bid at the location indicated in "Invitation to Bid".

2.2 BIDS RECEIVED AFTER THIS DATE IS LIABLE TO REJECTION AT THE SOLE DESCRETION OF THE OWNER WITHOUT ASSIGNING ANY REASONS.

3.0 REQUEST FOR INFORMATION

3.1 Enquiries relating to Engineering and Commercial aspect of this specification shall be made to the address given in the Invitation to Tender/Bid.

4.0 PROPOSAL

4.1 Bidder shall prepare his proposal in accordance with the specification and strictly as per the schedule of items. No additions/alterations/changes shall be made by the bidder. While submitting the tender, deviations, if any, shall be separately furnished. Anything not specifically mentioned, but necessary to complete the work, shall be provided by the Bidder and the cost thereof shall be deemed to be included in the prices quoted.

4.2 PROPOSALS SHALL BE SUBMITTED ON THE FORMS PROVIDED FOR THIS PURPOSE. FAILURE TO COMPLY MAY RESULT IN DISQUALIFICATION OF THE BID AT THE SOLE DISCRETION OF THE OWNER WITHOUT ASSIGNING ANY REASONS.

5.0 GENERAL

5.1 Bidder shall study thoroughly the General Conditions. Special Conditions. Specifications. Contract Drawings and other documents in the Invitation to Bid and submit his quotations accordingly. By submitting Bid for the work, Bidder will be deemed to have satisfied himself with the actual requirements in the Bid Documents.

5.2 By submitting the Bid for the work, Bidder will be deemed to have inspected and examined the worksite, its surroundings, locality, nature of the grounds and subsoil, the scope and nature of the work, materials necessary for the completion of the work, safety requirements, means of access to the worksite and the accommodation which may be required for storage, office, residence etc. Bidder will also be deemed to have obtained all information as to the risks, contingencies, responsibilities and other circumstances which might influence or affect his Bid and to have taken into account all conditions and difficulties that may be encountered during the progress of the work. The rates quoted by him in the Bid shall be deemed to be adequate to complete the work according to the Contract and to cover the entire responsibility involved in executions, completion and maintenance of work. Bidder will be further deemed to have included all labour and material rates which shall include cost of materials with taxes, octroi and other duties, quarry, fees, royalty, lead, litt, loading and unloading freights for the materials. transportation. storage, insurance and all other charges necessary for the completion of the work. He shall collect from OWNER any other information he may require relating to the execution of works All items excluding the items specifically covered under OWNER's scope shall be under the scope of the bidder and same is deemed to be included in the prices quoted.

5.3 The Bidder shall be deemed to have satisfied himself before bidding as to the correctness or sufficiency of his Bid for the work and of the rates and prices quoted by him which shall cover all his obligations under the Contract including programme of work which may be fixed by OWNER in accordance with General Conditions of Contract and all mailers and things necessary for the proper construction / erection. completion and maintenance of works. No extra charges whatsoever consequent on any misinterpretation or otherwise shall be allowed.
5.4 Details and Drawings as are not attached but referred to in the Bid Documents for the work may be seen in the office of the Kudremukh Iron Ore Company limited during office hours. Failure to avail himself of this shall not relieve the Bidder of his responsibility of submission of correct bid for work involved.

5.5 Canvassing in any form is strictly prohibited and the Bids submitted by the Bidders, who resort to canvassing will be liable for rejection.

5.6 The successful Bidder shall make his own arrangements for all materials except those otherwise specified in the Bid documents for issue by the OWNER at stipulated cost / or free of cost. Any materials or service to be issued/rendered to CONTRACTOR, unless specifically stipulated to be free of cost to the CONTRACTOR, shall be at the rates fixed or to be fixed by ENGINEER / OWNER based on cost plus 15%.

5.7 Bids shall be valid for a period of 3 (three) months from the due date of submission of the Bid.

5.8 OWNER reserves the right to divide and award the work in this invitation to Bid to more than one Bidder if considered necessary. OWNER also reserves the right to reject any or all the Bids without assigning any reason and does not bind himself to accept the lowest Bid or any Bid.

5.9 Bidders shall quote the rates in figures as well as in words in English. The amount of each item shall be worked out and the total given. Bid containing “Over Written” or "erased" rate or rates and amounts and rates not shown both in figures and words in English may be liable for rejection. Bidders shall quote rates for all items, failing which the Bid will be considered incomplete and the bid is liable to be rejected. In case of discrepancy between rates in figures and words, the rates indicated in words shall be taken as final. In case of discrepancies between Rates and Amounts, the rates indicated shall be taken as final and the amounts worked out on the basis of quoted rates given in the Bid.

5.10 Unless otherwise specified, all rates and prices in the Bid shall cover Sales Tax and other Taxes, Octroi and other Duties, Quarry Fees, Royalties, etc., if any applicable.

5.11 Except when so stipulated in the Contract or mutually agreed, no foreign exchange or Import Licence for Importing equipments, components, spares or raw materials will be arranged or provided by ENGINEER / OWNER unless this is mandatory under the Government rules and regulations. OWNER may however, provide project authority certificate and disclaimer certificate as applicable to assist the Contractor, as appropriate.

5.12 Bidder shall sign all the pages of the Bid Document. The signature in the “Form of Bid” alone shall be deemed to be taken as acceptance of other documents. Bid submitted by Partnership firm may be signed in the Firm’s name by all the partners or a person authorised in the partnership deed such as the Managing Partner or any other duly authorised representative, followed by the name and designation of the person so signing. An attested copy of Registered Partnership Deed and proof of registration of the firm and the authorisation of the signatories shall accompany the Bid of any Partnership Firm. Bid by a Company shall be signed with the name of the Company by a person on its behalf and registered duly notorised Power of Attorney or other satisfactory proof showing that the person signing the Bid documents on behalf of the Company is duly authorised to do so, shall accompany the Bid.

5.13 Signature of the Bidder shall be attested in English by two responsible witnesses. The witnesses shall be persons of status and their addresses, names, occupations etc. shall be stated below their signature.

5.14 Bids with rates in units different from those prescribed in the Bid Schedules may be liable for rejection.

5.15 If a Bidder seeks to clarify his quotations or rates, this shall only be done in a separate covering letter in the letter, the clarifications/ modifications desired shall be with specific reference to the relevant conditions in the Invitation to Bid and the page numbers and clause numbers of the conditions shall be indicated.

5.16 Bidder is responsible to ensure that the bids reach before the date and time specified.

5.17 Acceptance of Bid will be intimated to the successful Bidder through a “Letter of Intent/Supply order/Work Order” with the issue of which the CONTRACT shall stand concluded. However, CONTRACTOR may be required to execute a formal agreement within the time specified in the Letter of Intent.
6.0 PARTICULARS TO ACCOMPANY BID

6.1 The following particulars shall also accompany the Bid:

a) Details of work of similar nature and magnitude carried out by Bidder, in the Proforma shown in Appendix-I.

b) Details of construction equipments belonging to and / or to be procured by the Bidder for use in this work, in the Proforma shown in Appendix-II.

c) Details of manpower he proposes to engage for completion of work, in the Proforma shown in Appendix-III.

d) All other details as may be required by ENGINEER in the form or manner stipulated therefor.

e) List taken into account while preparing the Bid in the proforma as of the bulletins/amendment to Bid documents received and shown in Appendix-VI.

f) Details of deviations made by the bidder.

6.2 Bidders shall, along With their Bids, submit the following:

a) Certificate from a Scheduled Bank or any other bank accepted by Owner to prove their financial ability to undertake the work.

b) Proof for technical and organisational ability to execute the work in its various aspects.

c) The organisation chart alongwith number of the qualified Engineers and Supervisors who will be deployed at the site together with their qualification in the proforma shown in Appendix-IV Please Indicate separately those available on the roll of the Bidder and the numbers to be recruited for the work.

d) Details of manufacturing and erection facilities owned and to be deployed on the work.

e) Income Tax Clearance Certificate valid as on the date of Bid.

f) List of proposed sub-contractors, if any, in the proforma shown in Appendix-V to be engaged subject to approval of the OWNER.

g) Details of insurance coverage presently considered and secured or to be secured by Bidder in the proforma shown in Appendix-VII.

h) Balance sheet for the preceding three financial years and the latest unaudited Balance Sheet, if any.

i) Provident Fund Account nos. in respect of workers deployed by the Bidder, if any.

j) PAN issued by the Income Tax Authorities to the Bidder.

k) Disputes (arbitration/law suits) initiated by or against the bidder during the last 3 years (completed or pending) as per Appendix-VIII.

l) Sales Tax No. : Central and State.

6.3 BIDS NOT GIVING THE FULL PARTICULARS AS REQUIRED ABOVE ARE LIABLE FOR REJECTION AT THE DISCRETION OF THE OWNER WITHOUT ASSIGNING ANY REASONS.
FORM OF BID
FORM OF BID  
(Bidder is required to fill up the blank spaces in this form)

M/s. KIOCL Limited,  
Second Block, Koramangala,  
Sarjapura Road,  
Bangalore - 560 034.  
Attn: .......................  
Technical Services Dept.,

OR

M/s. KIOCL Limited ,  
New Mangalore Port,  
Panambur – 575 010.  
Attn: .......................  
Contracts Dept.,

OR

M/s. KIOCL Limited  
Kudremukh, PO.577142  
Chikmagalur District.  
Attn.:  .......................  
Tender and Claims dept.,

Name of work:

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
(As shown in the "Invitation to Bid")

Sir / Madam.

Having examined the "Invitation to Bid", Instructions to Bidder, General Condition of Contract, Special Conditions, Specifications, Bid Schedules, Contract Drawing and other documents for the above work, I/We, the undersigned offer to construct, erect, complete and maintain the whole of the said works in conformity with the said Bid Documents on the terms and conditions and under the provisions set out or called for in the Contract Documents at the rates listed in the Schedule of the Unit Prices.

We agree to keep our Bid valid for a period of three months from the date fixed for receiving the same.

I / We undertake to commence the works within seven days from the date of Issue of Letter of Intent / Supply Order/ Work Order and to complete and deliver the whole of the works comprised in the Contract as per the Time Schedule agreed to in the Contract Document.
We agree that the following Appendices prepared and submitted by us are by this reference incorporated herein and made part of this contract.

<table>
<thead>
<tr>
<th>APPENDIX</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Details of similar nature of work executed by us</td>
</tr>
<tr>
<td>II</td>
<td>List of equipments to be deployed (owned! to be procured)</td>
</tr>
<tr>
<td>III</td>
<td>Manpower proposed to be deployed (existing/ to be recruited)</td>
</tr>
<tr>
<td>IV</td>
<td>Organisation chart (positions filled/ to be filled)</td>
</tr>
<tr>
<td>V</td>
<td>Proposed sub-contractors to be engaged subject to approval of Owner</td>
</tr>
<tr>
<td>VI</td>
<td>Bulletins</td>
</tr>
<tr>
<td>VII</td>
<td>Insurance coverage</td>
</tr>
<tr>
<td>VIII</td>
<td>Disputes / arbitrations/legal suits initiated by or against in which the Bidder (by present or previous names. If any) was or is involved in last three years.</td>
</tr>
</tbody>
</table>

Dated day of 20

WITNESS

1.

Signature: Signature
Date: In the capacity
Address: duly authorised to sign Bids for and on behalf of

Occupation (in block letters)

2.

Signature: Date:
Date: Address:
Address:

Occupation
DETAILS OF WORKS OF SIMILAR NATURE AND MAGNITUDE CARRIED OUT DURING THE LAST THREE YEARS.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of work done</th>
<th>Value</th>
<th>Date of starting</th>
<th>Date of completion</th>
<th>Date of completion as per contract</th>
<th>Reasons for delay</th>
<th>Remarks</th>
</tr>
</thead>
</table>

NOTES:

1. In the remarks column, please state whether the works stated above are carried out by you in the name of the firm in which the present Bid is submitted or any previous name or in collaboration with another party. If latter, state role / relationship of the firm vis-à-vis other party/partner and also a copy of the partnership Deed/Joint Venture agreement or the like.

2. Please enclose the true copy of the certificates issued by the authorities for works listed above.

3. In case of any dispute/differences arose amongst the partners, please give brief details in a separate annexure the status of the proceedings and the final result, if any.

(Signature of Bidder)
# LIST OF EQUIPMENTS, TOOLS AND PLANT TO BE DEPLOYED ON THIS WORK

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Details of equipments, tools and plants etc.</th>
<th>Nos.</th>
<th>Whether owned or hired or to be procured</th>
<th>If to be procured source / cost</th>
</tr>
</thead>
</table>

**NOTES:** Add more sheets, if required.

(Signature of Bidder)
DETAILS OF MANPOWER PROPOSED TO BE DEPLOYED ON THIS WORK

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Category of manpower</th>
<th>Nos. to be deployed by Contractor / By Sub-Contractor</th>
<th>Remarks</th>
</tr>
</thead>
</table>

(Signature of Bidder)
## DETAILS OF QUALIFIED ENGINEERS AND SUPERVISORY PERSONNEL ETC. TO BE DEPLOYED FOR THIS WORK

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name, qualification and relevant experience</th>
<th>Responsibility areas</th>
</tr>
</thead>
</table>

**NOTE:**

Organisational chart shall be enclosed. Attach more sheets, if required.

(Signature of Bidder)
## LIST OF PROPOSED SUB – CONTRACTORS

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>Name of sub-contractor</th>
<th>Description of work or trade to be carried out</th>
<th>Approximate value of sub-contract</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

(Signature of Bidder)
**BULLETINS**

(BIDDER SHALL SUBMIT A LIST OF THE BULLETINS ISSUED BY OWNER, IF ANY, THAT HE HAS TAKEN INTO ACCOUNT WHILE PREPARING THIS BID)

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Bulletin No.</th>
<th>Date</th>
<th>Brief contents</th>
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</table>

(Signature of Bidder)
DETAILS OF INSURANCE COVERAGE PRESENTLY CARRIED BY BIDDER

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount of coverage</th>
<th>Individual claim</th>
<th>Occurrence aggregate</th>
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<tbody>
<tr>
<td>a) Public liability &amp; property damage</td>
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<td></td>
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<tr>
<td>b) Fire and Extended coverage</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>c) Automobile</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) All Risks, Builder’s Risks etc.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Workman’s Compensation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Others as applicable under the prevailing laws or otherwise</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Signature of Bidder)
# DISPUTES / ARBITRATIONS / LEGAL SUITS FOR LAST THREE YEARS

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Brief description of dispute</th>
<th>Dispute with</th>
<th>Value</th>
<th>Status as on date of submission</th>
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<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

Note: Attach more sheets, if required

(Signature of Bidder)
GENERAL CONDITIONS OF CONTRACT
# GENERAL CONDITIONS OF CONTRACT

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<td>Priority of Agreement, other Contract Documents and Drawings and Construction Documents</td>
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<td>64.00</td>
<td>Form of Bank Guarantee for Advance payment</td>
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<td>Form of Bank Guarantee for Security Deposit</td>
</tr>
<tr>
<td>66.00</td>
<td>Form of Bank Guarantee for Earnest Money deposit</td>
</tr>
</tbody>
</table>
GENERAL CONDITIONS OF CONTRACT

1.00 DEFINITIONS

A. As used in the Contract including all documents contained in or referenced by the Invitation to Bid, the following terms shall have the meaning ascribed herein unless the context within which they are used clearly precludes such meaning. Terms and Expressions not herein defined shall have the same meaning as one assigned to them in the Indian Contract Act (Act 18 of 1872) and failing that in the General Clauses Act (1897) and subsequent amendments thereof.

1. ACTUAL CONTRACT VALUE means the Final cost of the Work including the cost of Extra Work(s) or adjustments due to changes in works.

2. APPROVAL of OWNER/ENGINEER shall mean the written approval by OWNER/ENGINEER of a document or drawing or other particulars or matters in relation to the Contract.

3. “BID” shall mean the offer tendered by BIDDER to the OWNER to do and perform all work and other things necessary to complete the work required for the Project / Portion of the Project as described in the Bid document.

4. “BIDDER/TENDERER” shall mean the party submitting a bid for the work.

5. “BID DOCUMENTS” shall mean a document prepared and issued to the Bidder by OWNER which will contain, among other things a description of the Work to be performed, schedule of quantities and the time schedule for completion of work.

6. “CLEAR DAYS” shall mean consecutive days without interruption for week ends or holidays and shall include the day on which the notice/request is received.

7. “CONSTRUCTION EQUIPMENT” shall mean all machinery, plant, apparatus, parts, appliances, instruments, articles and things required for erection, construction and completion of the work required for the Project or any Portion thereof and the operation thereof, including supply of maintenance items, spare parts and consumables etc. required therefore.

8. “CONTRACT” shall mean and include the Invitation to Bid, Instruction to Tenderers, Offer / bid (initial/modified), the General Conditions, the Specifications, Drawings, Special Conditions and Bulletins, if any, and the Letter of Intent /Work Order/ Supply Order/the Agreement entered into by the parties including mutually agreed subsequent amendments/ changes, if any.

9. “CONTRACTOR” shall mean the Bidder whose Bid has been accepted and shall include his/ her/its/their heirs, executors, administrators, legal representatives, successors and assigns.

10. “CONTRACT DRAWINGS” shall mean and include the designs, blue prints or other documents of a similar nature which show or illustrate the character and nature of the work to be performed which are supplied by Owner enclosed with the Bid Document or available with the Owner for inspection by the Bidder or Drawings issued by the Owner during the execution of Contract.

11. “CONTRACT VALUE” shall mean the amounts as stipulated in the Letter of Intent/Work Order / Supply Order/Agreement which amount represent the estimated total cost of the work to be performed by CONTRACTOR under the CONTRACT.

12. “EFFECTIVE DATE OF THIS CONTRACT” shall mean the date of issue of Letter of Intent/ Supply Order/Work Order unless otherwise specified.

13. “ENGINEER” shall mean person/persons nominated by or authorized by OWNER among other things to administer the Contract and / or supervise the work under the Contract.

14. “IN PLACE” shall mean the work or any items of Work being fully completed / installed and completely incorporated as determined by ENGINEER/OWNER whose decision in this regard shall be final, binding and conclusive on the Parties.
15. “LETTER OF INTENT” shall mean the acceptance by the OWNER of the Bid tendered by CONTRACTOR and the award there under of the work to be performed in accordance with the terms and conditions of CONTRACT.

16. “MONTH” when used for the purpose of calculating a period of time, shall mean the period from the day of one month to the corresponding day of the next calendar month if such day exists, or, if not, to the last day of the next calendar month.

17. “OWNER” shall mean KIOCL Limited having its Registered Office at Second Block, Koramangala, Bangalore - 560 034, Karnataka, India and include its Lawful successors and assigns.

18. PERIOD OF MAINTENANCE shall mean a period of Twelve continuous months or any other period, if specifically stipulated in the Special Conditions calculated from the date the whole work, is “IN PLACE” as certified by ENGINEER/OWNER.

19. “PORTION” shall mean that part or parts of the work as identified in the Contract and shall include all aspects of such part or parts as are included in the Contract.

20. “RUPEES” or “Rs” shall mean Rupees, the currency of India.

21. “SITE” shall mean the actual place or places where the work is to be done by the Contractor and/or services are to be performed under the Contract as notified / indicated by OWNER/ENGINEER.

22. “SPECIFICATIONS” shall mean and include the descriptions/type, quality, standard of materials and work, general arrangements, statements of technical data, performance and/or documents of a similar nature which are included in the Contract and/or issued or supplied by OWNER relating to the Work.

23. “SUPERVISION” shall mean the direction and control in relation to the execution of work and instructions given by OWNER/ENGINEER or their authorized representative in relation thereto under the terms of the Contract.

24. “WORK” shall mean and include all works operations / activities to be performed by CONTRACTOR as set out and/or required in the CONTRACT in accordance with the Bills of Quantities, Specifications and Drawings or to be implied there from or incidental thereto or as may be specified during the execution of work or required in such explanatory/additional instructions and drawings as shall, from time to time, during the progress of the work hereby contracted for, be issued by OWNER/ENGINEER.

25. “WRITING” shall mean any information, request, notice, data contained or given in any manuscript, typewritten or printed statement or other document under seal or hand and includes telegrams, telexes, taxes and cables and words “In Writing” shall mean any document duly signed by any person authorized to represent CONTRACTOR and OWNER/ENGINEER.

B. The words “Including” and “Include(s)” as used in this Contract are not to be construed as words of limitation, unless the context otherwise requires or unless a contrary intention otherwise appears in the matter.

C. Words imparting “Persons” shall include firms, companies, corporations and associations or of individuals, whether incorporated or not.

D. Word imparting the singular only shall include plural and vice-versa where the context so requires.

E. Word imparting masculine gender shall also include feminine gender and vice-versa where the context so requires.

2.00 EXPEDITIOUS COMPLETION

It is understood and agreed by and between CONTRACTOR and OWNER/ENGINEER that time stipulated in the Contract is of the essence of this CONTRACT and accordingly CONTRACTOR shall do and perform his obligations in such a manner as not to hinder, delay or impair timely completion of the
works awarded to him or interfere with, delay or impair those Portions or items of work undertaken by other contractors or interfere with, delay or impair the timely completion of the entire Project.

3.00 TENDER

A. CONTRACTOR acknowledges that this Bid contained all the information required in the Invitation to Bid, specifically for CONTRACTOR’s firm lumpsum price or his firm unit price for the work to be performed. CONTRACTOR agrees that the price(s) as awarded include any / all cost components including profits, overhead charges and other costs including but not limited to labour, equipment, materials, insurance, transportation facilities and plant not specified to be furnished by OWNER or others. CONTRACTOR further agrees to do all things necessary to complete such Work in a proper and workman-like manner to the satisfaction of the ENGINEER/OWNER.

B. CONTRACTOR is expected to review and is chargeable with knowledge of the information contained in or referred by BID DOCUMENTS or that available with OWNER and available for examination by the CONTRACTOR.

4.00 SITE CONDITIONS.

A. CONTRACTOR by tender of his Bid, acknowledges that he has obtained / collected available data and satisfied himself as to the nature and location of the Work, the general and local conditions, particularly those bearing upon transportation, disposal, handling and storage of materials, equipment, availability of labour, water, electric power, roads and uncertainties of weather, rock soil or other physical condition on the Project, the configuration and strata and sub soil conditions, the character and quantity of Equipment, Plant and facilities needed preliminary to and during the execution and maintenance of the Work and all other matters which can in any way affect the work or the cost thereof under this Contract.

B. CONTRACTOR further acknowledges that he has obtained and collected data and satisfied himself as to the character, quantity of any and sub surface materials including ground water, to be encountered. CONTRACTOR has considered all exploratory work done on the Project by the OWNER and other firms / agencies in relation to the work to be performed by CONTRACTOR as well as information presented by the Specifications, Contract Drawings or other documents relating to the work. Any failure of CONTRACTOR to acquaint himself with all the available information will not relieve him of the responsibility for assessing the difficulty or estimating the cost of successfully performing the work. Representations made but not so expressly stated and for which liability is not expressly assumed by ENGINEER or OWNER in this Contract and any information on or opinions concerning soils and sub-surface conditions or other matters furnished by or for ENGINEER/OWNER or any understanding, opinions or representations made or expressed by any of their officers, employees or agents, during or prior to the execution of this Contract shall be deemed only for the information of CONTRACTOR to be appropriately checked and utilized by the CONTRACTOR in preparation and submission of the bids and CONTRACTOR shall have no claim against ENGINEER or OWNER resulting from such information.

C. Contractor shall be deemed to have acquainted himself with the regional / local geology. CONTRACTOR shall bear full responsibilities for deductions and conclusions as to the nature or conditions of the rock and other materials to be excavated, the difficulties of making and maintaining the required excavations and of doing other work affected by the geology of the site of works.

D. In addition to the information acquired by himself from the tender documents supplied by Owner, the Contractor shall be free to conduct any further test to ascertain / obtain /acquaint additional information to take care of site / soil condition at his cost for which the OWNER shall extend facilities to the extent possible.

5.00 STANDARDS OF WORKMANSHIP

A. CONTRACTOR guarantees that all workmanship shall be in accordance with Contract Specifications / Indian Standard Specifications and shall conform to any applicable laws, codes and/or regulations and such workmanship shall at all times be satisfactory in all respects to ENGINEER / OWNER. Should ENGINEER/OWNER determine that any work performed by CONTRACTOR fails or is likely to fail to meet the Specifications / Standard of workmanship, ENGINEER / OWNER may direct CONTRACTOR to remove such inferior work and replace such work at Contractor’s sole expense, failing which the OWNER/ENGINEER may get it replaced / executed at the Contractor’s risk and cost.
B. The decision of ENGINEER/OWNER in this regard shall be final and binding upon the Parties.

6.00 DIRECTION AND PERFORMANCE OF WORK

A. While CONTRACTOR shall be free to employ his own methods of executing the Work in accordance with the Specifications, OWNER/ENGINEER shall have the right to direct, instruct and supervise CONTRACTOR and through him any subcontractors, to provide the maintenance of effective working organizations, to ensure the performance of the Work in the time, sequence and manner as determined by OWNER/ENGINEER, to carry out proper correction and remedy of any and all defects discovered in the work or materials used and to make modifications in construction or the cost of construction in accordance with available construction methods. The decision(s) of OWNER / ENGINEER in these respects shall be final and binding upon the Parties. Nothing herein shall be interpreted as creating any direct relationship between the OWNER/ENGINEER and the Sub-Contractor or the OWNER/ENGINEER and the Employees / labour force of the Contractor / Sub-Contractor.

B. i) CONTRACTOR shall employ a competent Manager for the Works and supervisory staff who shall be constantly on the works site and shall give their whole time to the execution and supervision of the Work. Such Manager shall have full authority to represent CONTRACTOR in all matters pertaining to this CONTRACT and the performance of the work hereunder and all directions and notice given to him shall be as binding as if given to CONTRACTOR.

ii) CONTRACTOR shall employ on the work only such persons as are careful, skilled and experienced in their several trades. CONTRACTOR agrees to remove employees/ labour force engaged on the Work covered by this CONTRACT who are found to lack necessary skill, expertise or care by the ENGINEER/OWNER. CONTRACTOR shall not engage / utilise employees of OWNER, any other Contractor or any subcontractor without obtaining a written release from the party affected. CONTRACTOR shall be solely responsible for employees removed, discharged by him or leaving his employment for any reason whatsoever.

C. CONTRACTOR shall check all materials and labour to be utilised for the Work and shall keep in convenient form such full and detailed accounts and records as may be necessary for proper financial management under this CONTRACT and the system shall be such as is found satisfactory by the OWNER/ENGINEER. Such records shall include accurate records of all personnel employed, materials brought, material consumed for the Work including the Work executed by the sub-contractor.

D. 1. Materials and Workmanship will be subject to inspection and approval by ENGINEER / OWNER at all times as considered appropriate. However, such approval / inspection shall not relieve CONTRACTOR of his obligation to perform the Work properly. CONTRACTOR shall co-operate in permitting access for inspection at all places where Work is done, is being done or material is stored and shall provide sufficient, safe and proper facilities at all times for carrying out such inspection of the work by the OWNER/ENGINEER or such personnel / agencies as may be appointed for the purpose.

2. OWNER may appoint an inspection and testing agency whose representative (hereafter referred to as "INSPECTOR") will carry out shop, laboratory and/or field inspection. CONTRACTOR shall furnish such INSPECTOR or ENGINEER / OWNER all facilities for carrying out such inspection at his own cost. However, OWNER will bear his own cost in relation to the tests carried out by them or through their Inspectors as a part of their quality control checks.

3. All materials and workmanship shall be of the respective kinds described in this CONTRACT and in accordance with ENGINEER’s instructions and shall be subjected from time to time to such tests as ENGINEER may direct at the place of manufacture or fabrication or on the work site or at all or any other mutually agreed location. CONTRACTOR shall at his cost, provide such assistance, instruments, machines, labour and materials as are usually required for examining, measuring, any testing of the work and its quality, weight or quantity of any materials used and shall supply samples of materials before incorporation in the Work for testing as may be selected and required by ENGINEER free of cost.

4. Unless otherwise provided, the cost of all tests as stipulated in this Contract shall be borne by CONTRACTOR excepting as brought out in the following sub para 5.
5. If any test(s) are ordered by ENGINEER, which are either.

i. not so intended or provided for in the CONTRACT or become necessary due to lack of clear-cut results obtained from the tests carried out by the Contractor as per its quality control programme.

OR

ii. though so intended or provided for, is ordered by ENGINEER to be carried out by an independent agency at any place and if the test results establish that the material/ workmanship conform to the Contract Specifications.

In all cases, the decision of the Engineer in this regard shall be final, binding and conclusive on the Parties.

E. Prior to the completion of the work by CONTRACTOR and the acceptance thereof by ENGINEER/OWNER, the work shall remain under the custody and care of and at the risk of CONTRACTOR and CONTRACTOR shall be responsible for all loss and damage to the Work and equipment in the CONTRACTOR's care and custody and shall repair, renew and make good at his own expense, all such loss and damage however caused including theft, pilferage etc.

F. CONTRACTOR shall repair, restore and replace at his own cost any other work or any personal property (including, but not limited to, tools and equipment) belonging to OWNER, which CONTRACTOR or his sub-contractors or suppliers or their respective employees or invitees, may damage or destroy while on the Project.

G. CONTRACTOR shall co-operate with ENGINEER/OWNER for ensuring the performance of the Work and in the preparation of all documents and reports necessary and advisable for such purposes.

H. CONTRACTOR shall co-ordinate the work of his sub-contractors and his material suppliers and in scheduling of materials so that the construction and completion of the work will progress smoothly, expeditiously and economically.

I. All materials and workmanship supplied by CONTRACTOR shall conform to the CONTRACT including any Specifications, Drawings or other documents and shall be so delivered, stored and handled by CONTRACTOR as to prevent any loss, damage, adulteration, deterioration or avoidable wastage.

J. 1. CONTRACTOR shall, at any time during progress of the work or within the Period of maintenance upon written notice from ENGINEER/OWNER to do so, proceed to remove from the site all materials and structures determined by ENGINEER/OWNER to be defective, deficient or otherwise unsatisfactory, whether assembled or not and dismantle all parts of the work which shall stand rejected as unsound, improper, unsatisfactory or which in any way fail to conform to the requirements of this Contract and replace all such work, materials and/or structures at his cost in time periods stipulated by the OWNER/ENGINEER.

2. The cost and risk of such removal and replacement shall be borne solely by CONTRACTOR. If CONTRACTOR does not remove and replace such rejected / condemned work, materials and structures with in a reasonable time as specified in OWNER/ENGINEER’s written notice, OWNER may remove or have the same removed and replace the same and charge the cost thereof to CONTRACTOR, who will continue to bear the risk thereof.

3. Further more, if any applicable law, ordinance, statute or regulation creates a more extended liability for faulty materials, structures or workmanship, then the provisions of such law ordinance, statute or regulation shall apply to the Contractor/Sub-contractor in the same manner and the same extent, as applicable to the OWNER, as a part of contractor’s obligations under the Contract.

K. All equipment operated by CONTRACTOR for the work shall be of such type, standard & quality and shall be operated, inspected, serviced, maintained and equipped with spares in such a manner, as to ensure effective and smooth operation with a minimum of down time acceptable to ENGINEER / OWNER whose decision in this regard shall be final and binding upon and conclusive on the Parties. If any piece of Equipment fails to meet the aforesaid requirement, CONTRACTOR shall at his sole expense and using his own resources replace it with appropriate equipment. The Contractor shall have no claim whatsoever for any additional compensation owing to this replacement.
L. Any work not specifically mentioned but that may reasonably be inferred from the Specifications, Contract Drawings or other documents as being required to produce the intended result shall be performed and completed by the CONTRACTOR without raising any claim or demanding any additional remuneration.

M. If by reason of any emergency, accident or failure or other event occurring in or in connection with the work or any part thereof either during the execution of the work or during the period of maintenance, any remedial or other item of work or repair, shall in the opinion of ENGINEER/ OWNER, be urgently necessary for ensuring security and stability of the work and CONTRACTOR is unable or unwilling at once to do such work or repair, ENGINEER / OWNER may have such work or repair executed by others as ENGINEERS/OWNER considers necessary. If the work or repair so done in work which, in the opinion of ENGINEER, CONTRACTOR was liable to at his own expense under this CONTRACT all costs and charges incurred in so doing shall on demand be paid by CONTRACTOR to OWNER or may be deducted by OWNER from any moneys payable to CONTRACTOR, provided that ENGINEER/OWNER shall soon after the occurrence of any such emergency as may be reasonably practicable notify CONTRACTOR thereof in writing.

N.

1. OWNER / ENGINEER or any person authorised by him shall, at all times, have access to the work and to the location of any work to and all workshop and places where any part of work is being carried out and Contractor shall afford every facility and every assistance to the OWNER/ENGINEER or any person authorised by them in obtaining the right to such access.

2. No items of work shall be covered up or put out of view without a notice to and the prior approval of ENGINEER and CONTRACTOR shall afford full opportunity for ENGINEER to examine and measure any item of work which is about to be covered up or put out of view such as examination of the foundations before other permanent item(s) of work are placed thereon. CONTRACTOR shall give due notice to ENGINEER whenever any such item(s) of work such as foundation is/are ready or about to be ready for examination by ENGINEER.

3. If no such notice is given or prior approval obtained, CONTRACTOR shall, at his cost, uncover any part or parts of the Work or make openings in or through the same as ENGINEER may, from time to time, direct for ENGINEER's examination or check and later on reinstate and make good such part or parts to the satisfaction of ENGINEER. If any such part or parts have been covered up or put out of view after compliance with the requirements set forth above and are found by the ENGINEER to be executed in accordance with this CONTRACT, the expenses of uncovering, making openings in or through reinstating and making good the same shall be reimbursed by OWNER. If, however, the Contractor did not notify the Engineer or obtain Engineer's prior approval and / or the work is not in conformity with the Contract provision, the cost of opening up and reinstating shall be borne by the Contractor.

O.

1. If the Contract provides for the use of any special description of materials to be supplied from OWNER’s store or if it is required that CONTRACTOR is required to use certain stores to be provided by OWNER (such materials and stores and the prices to be charged thereof as hereinafter mentioned being so far as practicable for the convenience to CONTRACTOR but not so has in any way to control the meaning or effect of this CONTRACT), CONTRACTOR shall be supplied with such materials and stores as required from time to time to be used by him for the purpose of this CONTRACT only (this being calculated from Specification, Contract drawings etc). The value of the full quantity of materials and stores so supplied shall be charged by the OWNER at the rates specified in the schedule of items and shall be to CONTRACTOR's account. All materials supplied to CONTRACTOR shall continue to remain the absolute property of OWNER and shall not on any account be removed from the location of the Work and shall at all times be opened to inspection by ENGINEER. Any such materials unused and in perfectly good condition at the time of the completion or termination of this CONTRACT shall be returned to OWNER's store by a notice in writing but CONTRACTOR shall not be entitled to return any such material except with such consent and shall have no claim for compensation on account of any such material so supplied to him as aforesaid, being left with him or for any wastage in or damage to any such materials. In cases under the CONTRACT, such materials and stores are to be supplied to CONTRACTOR free of charges, all unused and waste materials shall be returned.
to OWNER by CONTRACTOR at CONTRACTOR's own cost and CONTRACTOR shall be responsible to account fully for such materials and stores.

2. All materials (eg. stone and other materials) obtained in the work of dismantling, excavation etc. will be considered to be OWNER's property and issued to CONTRACTOR (if he requires the same for the Work) at rates approved by OWNER. If these materials are not required by CONTRACTOR, they will be disposed off by the OWNER to the best advantage of OWNER.

3. The operation of the preceding paragraphs shall not be deemed to imply any approval by ENGINEER for the materials or other matters referred to therein nor shall it prevent the rejection of any such materials at any time by ENGINEER. The OWNER shall permit the Contractor to arrange such materials on his own.

P. SITE CLEAN UP

During the progress of the Work and as required by ENGINEER, CONTRACTOR shall keep areas occupied by him and access to such areas in the neat, clean and safe condition and free from accumulation of packing or crating materials, waste and rubbish. Rubbish and combustible wastes shall be removed on a daily basis. On the completion of any item of work, CONTRACTOR shall promptly fill up any pits and excavations and remove from such area all of his equipment and surplus material to approved areas. Upon completion of the work, CONTRACTOR shall before final payment is made, at his own expense and to the satisfaction of ENGINEER, dispose off or remove from the work site all equipment, rubbish, unused material and other equipment and materials belonging to him or used under his direction during the performance of the Work and shall leave the premises (including the quarters of CONTRACTOR employees) in a neat and clean condition satisfactory to ENGINEER.

In the event of CONTRACTOR's failure to comply promptly with any of the foregoing, OWNER/ENGINEER may, after serving a written notice of three (3) days to the CONTRACTOR, cause the same to be accomplished by any other agency at CONTRACTOR'S expense and the cost of the same may be deducted from any money due to or becoming due or payable to CONTRACTOR whether under this or any other contract. Furthermore, the said clause shall apply should it become necessary for OWNER to have the complete or part of worksite cleared as indicated above at the expense of CONTRACTOR.

ENGINEER/OWNER shall, under no circumstances, be held liable for any loss or damage caused to CONTRACTOR'S property left at the worksite owing to its removal and / or disposal through public auction or otherwise of such materials and property as deemed fit by the OWNER.

7.00 SURVEY LINES AND GRADES

7.01 As considered appropriate, ENGINEER will establish reference bench marks from which CONTRACTOR shall establish such other points, lines, elevations etc. as he may require for the proper execution of the Work.

7.02 CONTRACTOR shall be responsible for the true and proper setting out of the works and for the correctness of the positions, levels, dimensions and alignments of all the parts of the works and for the provisions of all necessary instruments, appliances and labour in connection therewith. If, at any time during the progress of the work any error appears or arises in the positions, levels, dimensions or alignments of any part of the works, CONTRACTOR, on being required to do so by ENGINEER, shall at his own expense, rectify such error to the satisfaction of ENGINEER unless such error is based on incorrect data supplied in writing by ENGINEER / OWNER, in which case the expenses of rectifying the same shall be borne by OWNER. The checking of any setting out or anyline or level by ENGINEER shall not in any way relieve CONTRACTOR of his responsibility for the correctness thereof and CONTRACTOR shall carefully protect and preserve all the bench marks, side rails, pegs and other things used in setting out of the works till such time required and thereafter remove with the prior written approval of the ENGINEER.
8.00 CONSTRUCTION SCHEDULE

8.01 Construction schedule shall be submitted by the Contractor to the OWNER/ENGINEER within fifteen days of award of Work or as agreed upon, indicating therein the different component items of work and time required for completion of each component item month wise and season wise, so as to complete the work in all respects within the stipulated period of completion.

CONTRACTOR shall also furnish his approach to work, indicating briefly his method of working, his plans in tackling the construction programme vis-a-vis the capacity of equipments he proposes to deploy on various components of work etc. CONTRACTOR shall obtain approval of ENGINEER / OWNER to the above. They shall mutually decide upon updating any changes in agreed Schedule including crashing required and maintain joint records in connection with all important activities. In case of any disagreement, the decision of ENGINEER shall be final and binding on the Parties.

8.02 CONTRACTOR shall submit a weekly schedule of work, identifying each item of work, for acceptance by ENGINEER and submit regular progress reports, as directed by the ENGINEER on all activities in an approved format.

9.00 WORK IN MONSOON

9.01 The execution of works may entail working in the monsoon also. CONTRACTOR must maintain minimum labour force as may be required for the job and plan and execute the construction works according to the prescribed construction schedule. Even if the work has to be stopped in the monsoons, the Contractor shall maintain to the satisfaction of Engineer requisite manpower and facilities to undertake regular monsoon protection works and for tackling any contingencies that may arise.

10.00 POWER

10.01 Power required for the work to the extent available may be provided free of cost at one point. Contractor shall draw power from this point complying all applicable statutory rules and regulations. CONTRACTOR shall strictly follow all safety rules and regulations. CONTRACTOR shall comply with the Indian Electricity Act & Rules, Factories Act & Rules and all other relevant statutes.

10.02 No electricity will be supplied to staff quarters and labour colony of CONTRACTOR and quarry sites.

10.03 CONTRACTOR shall make his own arrangements for drawing the distribution lines from the tapping point at the sub-station. ENGINEER/OWNER does not guarantee continuous power and CONTRACTOR shall make alternate arrangements by stand-by generating set etc. No claim whatsoever on this account shall be entertained by ENGINEER/ OWNER.

10.04 ENGINEER/OWNER will not be liable for any loss or damage to CONTRACTOR’s equipment as a result of variation in voltage or frequency or interruptions of power supply or for any other losses to CONTRACTOR arising there from. CONTRACTOR shall ensure that electrical equipments deployed by him are such that the aggregate power factor does not fall below 0.9 at his premises.

10.05 CONTRACTOR shall ensure that there is no wastage or misuse of power. If any wastage or misuse of power is detected, the quantity so wasted or misused shall be charged to CONTRACTOR at rates to be decided by ENGINEER/ OWNER, whose decision shall be final and binding.

11.00 WATER

11.01 Water for construction purposes will be supplied by ENGINEER/OWNER at one point free of cost. CONTRACTOR shall make his own arrangements for pumping and storing the required quantity of water and for the necessary distribution pipelines. Any shifting of this distribution pipelines necessary in the course of the work, whether necessiated by his work or others, must be done at his own cost and no claim on this account will be entertained. CONTRACTOR shall make judicious use of the water and shall ensure that there is no wastage and leakages etc.

11.02 CONTRACTOR shall have to make his own arrangements for requirement of drainage and water for his works, staff and labour. All the precautions shall be taken so as not to pollute the water source or surroundings.
11.03 ENGINEER reserves the right to draw water from the distribution lines laid down by CONTRACTOR, should the same be required for any other works or needs.

12.00 LAND AND HOUSE

12.01 No housing accommodation for CONTRACTOR or his personnel will be made available by ENGINEER/OWNER. CONTRACTOR will have to make his own arrangements with due regard to the weather and monsoon conditions, as applicable.

12.02 Land to the extent available may be allocated for temporary use for site office, stores, bar bending yards near the construction site, free of cost on the basis of recommendation of ENGINEER. For other requirements such as labour camps, staff quarters etc., CONTRACTOR will make his own arrangement. CONTRACTOR shall maintain the areas allotted to him in a neat and clean condition as required by ENGINEER/OWNER. CONTRACTOR shall make his own arrangements of water, sanitary and power facilities for labour camps/staff quarters. On completion of the work, all temporary structures must be removed by CONTRACTOR with approval of ENGINEER and the land brought to its original condition. OWNER reserves the right, on completion of work, to take over any or all of the structures put up by CONTRACTOR at terms to be mutually agreed upon.

13.00 QUARRIES AND APPROACH ROAD

13.01 Where required, CONTRACTOR shall locate suitable quarries for stone aggregate, sand and borrow area and satisfy himself of the quality and quantity of the materials required for construction. CONTRACTOR shall make his own arrangements for obtaining the quarries and establish source of required materials of appropriate quality.

13.02 CONTRACTOR shall not extract any materials from OWNER’s land except with the prior written consent of OWNER. Permission to quarry materials from OWNER’s land for bonafide use of the works may be given to the extent of the quantities available at the sole discretion of OWNER, failing which the Contractor shall make his own arrangements.

13.03 Washing of sand/gravel, stone aggregate for concrete/filter material shall be done where the percentage of deleterious materials is more than that specified in the Bureau of Indian Standards (BIS) specification.

13.04 The approach roads to work site, quarries, borrow areas and dumping areas should be laid /provided and maintained by CONTRACTOR, wherever necessary, at his cost.

13.05 Removal of overburden in quarries and its disposal, wherever necessary shall be done by CONTRACTOR at his cost, in conformity with the direction of the ENGINEER/State Authorities as applicable.

13.06 Construction of roads and/or the use of existing roads by CONTRACTOR for the transportation of materials, machinery, supplies, fuels etc., and to serve for all his other requirements to and from the Work site or on the work, shall have the prior approval of ENGINEER/State Authority.

14.00 COMMUNICATION LINES AND NATURAL WATER RESOURCES

14.01 CONTRACTOR shall not close any communication lines without the permission of ENGINEER. CONTRACTOR shall also not obstruct any natural lines of drainage without the prior written approval of ENGINEER.

15.00 COMMUNICATION FACILITIES

15.01 CONTRACTOR shall provide, maintain and operate at his cost all communication facilities as may be necessary for safe and efficient performance of the Work.
16.00 PERMITS & LICENCES

16.01 CONTRACTOR shall secure and pay for all licences and permits which he may require to comply fully with all laws, ordinances and/or regulations of the proper public authorities in connection with the performance of the Work.

16.02 CONTRACTOR shall be responsible for all losses / damages and shall defend, indemnify and save harmless OWNER and ENGINEER in accordance with Article 41 hereof. Indemnify OWNER from and against all damages and liability which may arise out of the failure of CONTRACTOR to secure and pay for any such licenses and permits or to comply fully with any and all applicable laws, ordinances and regulations.

17.00 LEVIES FOR ENTRY INTO PORT AREA AT MANGALORE

17.01 It is the responsibility of CONTRACTOR to pay the Port authorities the charges levied for entry of men and vehicles into Port area at the rates fixed by them.

18.00 MATERIALS

18.01 The work is for complete job including labour and supply of all materials. Unless otherwise specified, CONTRACTOR shall make his own arrangements for cement, steel, stone ballast, stones, stone chips, sand and other construction materials as required for satisfactory completion of the Work.

18.02 In case of materials supplied by OWNER, the CONTRACTOR shall ensure that only the required quantities of materials are indented and got issued. Any such materials remaining unused and in perfectly good condition at the time of completion or termination of the contract shall be returned to OWNER at a place or places as directed by ENGINEER, by a notice in writing under his hand, if he shall so require. Credit for such materials will be given at the issue rate. The CONTRACTOR shall bear the cost of loading, transporting and unloading and incidental charges for returning the surplus materials from and to the stores where from they were issued or as directed by the OWNER/ENGINEER.

18.03 All CONTRACTOR’s materials shall be generally inspected and approved by ENGINEER from time to time at the source of supplies. CONTRACTOR shall provide all facilities for such inspection free of cost to ENGINEER. Notwithstanding any inspection at the source, the ENGINEER shall have liberty to reject any material brought to site that does not conform to the specifications without being liable for compensation.

18.04 All rejected materials shall be removed from the Site by CONTRACTOR at his own cost, as directed by the ENGINEER.

18.05 CONTRACTOR shall at his own cost, properly store all materials brought by him to the work site to prevent damage owing to rain, wind, direct exposure to sun etc., and also from theft, pilferage etc. CONTRACTOR shall maintain stocks of all materials required by him for proper and speedy execution of the work without any interruption.

18.06 All materials, construction plants and equipments, once brought by CONTRACTOR within the project area, are not to be removed from there without the prior written authority from ENGINEER.

18.07 ASSISTANCE FOR PROCUREMENT OF MATERIALS

A. CONTRACTOR shall be responsible for procurement of all materials required for satisfactory completion of the work. However, OWNER may at his discretion, release suitable quantity of materials available with OWNER. CONTRACTOR shall make necessary arrangements for payments, transportation etc., for the quantity of materials so released.

B. Where the CONTRACT is terminated owing to any default on the part of CONTRACTOR, CONTRACTOR shall pay all transport charges incurred for transporting any materials to any other place to be nominated by OWNER.
19.00 SPECIFICATIONS

19.01 All technical documents regarding construction of works are given in the Metric System and all works should be carried out as per Drawings and Specifications. Where the Specifications are not available in the drawings, the Specifications given in the Bid Documents shall apply. Where the Specifications are not available in either of the above, B.I.S. Specifications (Latest editions, unless otherwise specified) will be followed. For points not covered by the B.I.S. Specifications and/or the portion thereof and if no mention be made therein, the written instructions of ENGINEER shall be binding on CONTRACTOR.

19.02 If CONTRACTOR performs any work in a manner contrary to the Specifications or Drawings or any of them and without such reference to ENGINEER, he shall bear all the costs arising or ensuring there from and shall be responsible for the losses to ENGINEER/OWNER.

20.00 RATES

The rates to be quoted are intended to provide for works duly and properly completed in accordance with the General and Special Conditions of Contract, Specifications and Drawings together with such alterations and/or additions as may be required/ordered and without prejudice to the generality thereof and shall include for details of construction which are obviously and fairly intended and which may not have been specifically referred to in these documents and working drawings, but are essential for execution and satisfactory completion of work including those of minor nature and shall be deemed to include and cover but not limited to inter-alia the following:

i) The cost of all superintendence and labour, materials, tools, plants, equipments, mobilising and demobilising of equipments, fuel, lubricants, fixtures, transport charges, temporary and permanent works and quarrying charges, testing, screening, washing, handling of materials, stacking and removal charges of any rejected materials, water and power arrangements and satisfactory maintenance of the same for the full and satisfactory completion of the Work intended.

ii) All fees, duties, royalties, rent and compensation to OWNER for surface damage or taxes and impositions payable to local authorities in respect of land and structures for all materials supplied for the Work or other duties/or expenses for which CONTRACTOR may become liable or may be put to under any provision of the law for the purpose of or in connection with the execution of the Contract including levies payable on all transactions.

iii) Watching and lighting arrangements as required for satisfactory performance.

iv) Setting of work profiles etc. and of construction, repair and upkeep of all central lines, bench marks and levels and pegs thereof, including provision of masonry/concrete pillars showing the central lines of structures, grid lines and levels and maintenance and protection of the same including providing fencing etc., throughout the period of Contract.

v) Erection, maintenance and removal of temporary works and building.

vi) Supply of samples, moulds, cost of testing of materials, works etc.

vii) Working in all conditions including in/under water, liquid, mud, foul conditions etc., and shall also include bailing or pumping out water from the foundations, basement or any other place of construction collected from rains or any other source whatsoever, de-sludging and allied operation, at any stage of work and any time till the completion of Work including all suspension period and delays whatsoever, cost of curing including pumping of curing water wherever necessary.

viii) Diversion and draining works, protection works, temporary facilities, bridges, gangways, drainage etc.

ix) Work at all depths in foundations below Ground level and in superstructures up to all heights above ground level including all lifts and descents involved at any other place of work and disposal areas.

x) Cost of all leads unless otherwise specified in the Specification / Schedule.
xi) Provision of centering, scaffolding, strutting props etc.

xii) All materials and labour required for fencing and protection against risk of accidents, for providing necessary planking, strutting gangway with handrails, gumboots, helmets, safety belts etc., during the progress of work.

xiii) Diversion including compensation payable for barrier arrangements for the safety of the public or employees during the execution of works, all sanitary and medical arrangements for labour camps as may be prescribed by ENGINEER.

xiv) Works in all shapes, straight, inclined or curved and all sizes as shown or as required.

xv) Clearing the sites after the completion of the work of all debris, left out construction materials, machine, equipment, temporary houses, offices, stores, workshops, labour colonies etc., including micro dressing the area in neat and clean shape.

xvi) Such other incidental charges or contingencies as may have been provided in the Specifications or as necessary or levied

21.00 ESCALATION

21.01 No escalation will be admissible on rates, materials, labour, royalties, taxes etc. on any account unless otherwise specifically provided for.

22.00 WASTAGES

22.01 For the purpose of accounting of ENGINEER/OWNER supplied materials either free or on cost recoverable basis, the following wastages shall be allowed which shall include loss of cement in bags / transit and in case of steel, rolling margin as per BIS, invisible wastage and cut pieces of less than 3 meters in length or plates of size less than 0.5 sq. meter subject to one dimension not exceeding 300 mm.

a) CEMENT : 5% (Five Percent)

The theoretical quantity of cement to be used in the work shall be calculated on the basis of the norms indicated for consumption of cement or as per the authorised design mix. Where such norms are not given, norms available in CPWD Schedule showing quantity of cement to be used in different items of works shall be applicable. Where CPWD norms are not available, it shall be calculated as directed by the ENGINEER.

In the event of it being discovered that the quantity of cement used is less than the quantity ascertained as herein before, the cost of quantity of cement not so used, shall be recovered from the CONTRACTOR on the basis of actual landed cost plus 50 % as compensation/ damages, provided such works are technically accepted. Shortage of cement after accounting as stipulated above will be charged at rate specified in Article 22.02.

b) REINFORCED STEEL :

5% on the actual quantity incorporated in the works and measured for payment by ENGINEER/OWNER.

c) STRUCTURAL STEEL:

(i) Sections 5% on the quantity computed based on DOD lists.

(ii) Plates 7.5% on the quantity computed based on DOD lists.
d) STEEL PIPES:

3% on the quantity computed from the measurements/ “As made” drawings.

e) C.I. PIPES:

5% on the quantity computed from the measurements/ “As made” drawings.

f) OTHER MATERIALS:

5% unless otherwise specified.

22.02 Quantity in excess of the above specified wastages shall be charged at actual cost +50%, unless otherwise specified.

22.03 The surplus / balance steel beyond the maximum permissible limits allowable for invisible wastages including rolling margin shall be returned to OWNER.

23.00 SUPPLY OF DRAWINGS

23.01 OWNER / ENGINEER will provide drawings and other information for start of the first item of work. Subsequently, ENGINEER will maintain a flow of drawings and other required information sequenced and timed in such a manner as to permit CONTRACTOR to execute the work in accordance with the scheduled and subsequent scheduled releases.

23.02 Only three sets of drawings will be supplied by ENGINEER. Failure on the part of ENGINEER to provide drawing or maintain flow of drawings as stated above will attract the provision of Article 32 hereof.

23.03 One set of drawings shall be returned to ENGINEER/OWNER showing therein all additions and alterations in the process of execution. This set of drawings will show the "As Built Installation". However, all alterations, additions or deletions from the original drawings must have the prior approval in writing of ENGINEER.

24.00 SITE ORDER BOOK

24.01 CONTRACTOR shall provide at Site, a “Site order” book. The pages in the site order book shall be machine numbered. CONTRACTOR shall be responsible for obtaining all the orders entered in the order and within 24 hours, he or his authorised agent shall sign the orders issued by ENGINEER and shall carry them out strictly in accordance with these instructions and compliances shall also be recorded by CONTRACTOR and got duly countersigned by ENGINEER or his authorised agent.

25.00 PROGRESS REPORT AND DAILY REPORTS

25.01 Progress reports shall be submitted by CONTRACTOR in the proforma furnishing the details as required by ENGINEER.

25.02 CONTRACTOR shall submit daily reports of the following by 10 AM:

i) Total number of labourers in the working areas.

ii) Total number of local labourers in the working areas.

iii) List of equipments deployed and worked.

iv) Progress Report of the previous day.
26.00 EMPLOYMENT OF ENGINEERS

26.01 To ensure proper execution of work, CONTRACTOR must engage adequate number of full time qualified engineers possessing the requisite experience.

27.00 SECURITY

27.01 CONTRACTOR shall make his own arrangements to protect his materials, plant and equipment from pilferage, vandalism, accidental damage or loss of any kind and ENGINEER/OWNER shall not be responsible for any such occurrences.

28.00 JOB SITE REGULATIONS AND REQUIREMENT

28.01 CONTRACTOR shall comply with and be bound by all regulations and requirements established by ENGINEER governing CONTRACTORS, Sub-contractors and their employees engaged in the work under this CONTRACT or in preparation for such work.

29.00 EXECUTION OF WORK DURING NIGHT

29.01 When the work is carried out at night or in obscured daylight, adequate arrangements for floodlighting the working area shall be made by CONTRACTOR at his own cost and got approved by ENGINEER.

30.00 FUEL STORAGE TANKS

30.01 The storage of gasoline (petrol) and other fuel oils or other inflammable materials shall conform to the regulations for such storage issued by the concerned Statutory Authorities / State Government and Central Government Authorities.

31.00 ALTERATIONS AND OMISSIONS - VARIATIONS IN QUANTITIES - EXTRA WORKS

A. Revisions to the Specifications and Drawings, may, from time to time during the progress of work, be issued by ENGINEER. Additionally, ENGINEER may, from time to time without invalidating CONTRACT make changes in the Specification and issue additional instructions and/or require additional work to be performed or delete certain work.

B. The quantities contained in the “Schedule of Units and Quantities” are only approximate and subject to variations. Payment will be based upon the actual quantities as certified by ENGINEER and at the unit rates stipulated in the CONTRACT.

C. Rates for extra, altered or substituted work (hereinafter called “extra works”) shall be determined as set forth hereinafter in consultation with OWNER. If the rates for extra work are not specifically provided for in the CONTRACT the rates will be derived by ENGINEER from the rates for similar items/ clauses of works as are specified in the CONTRACT. The decision of ENGINEER in this regard shall be final and binding on and conclusive to Parties. In the absence of similar items of work, the rate for extra work/item shall be established by ENGINEER on the basis of inputs and its cost as determined by ENGINEER, plus 15% towards Contractor’s overheads, profits etc.

D. CONTRACTOR shall not be entitled to any claim because of any variation (plus or minus) in the Contract Value above the Estimate Value of Contract.

E. CONTRACTOR shall expeditiously perform such work as is directed by ENGINEER regardless of whether such work requires variation of quantities or includes extra work with payment being made in accordance with this CONTRACT.

32.00 EXTENSION OF TIME

A. If CONTRACTOR believes that the work is being delayed owing to the failure of OWNER to keep a commitment, he shall immediately notify ENGINEER/OWNER in writing, if ENGINEER/OWNER is satisfied that the reasons stated by CONTRACTOR have a bearing on the time schedule and that such delay cannot be made up by CONTRACTOR by rearranging the sequence of items of work, a change in method, by compressing the execution time required through improved
supervision, more manpower or more effective equipment, by paying incentives or in any other way, then OWNER shall extend, by written notice, the said specified required completion time for a period of time equivalent to any such delay on receipt of request from the CONTRACTOR along with full justification. The decisions of OWNER in this regard shall be final and binding on the Parties.

B. The Contractor shall not delay / discontinue execution of job for want of grant of extension of time.

C. Such extensions shall be in full settlement and satisfaction of any or all claims which CONTRACTOR may have against OWNER for damages or losses as a result of any such delay.

33.00 PRIORITY OF AGREEMENT, OTHER CONTRACT DOCUMENTS AND DRAWING AND CONSTRUCTION DOCUMENTS.

A. All Documents and Drawings forming part of the CONTRACT are intended to be read together and to be complete and in agreement.

B. If conflicts between documents arise the documents shall prevail in the order stipulated below:

1. Special conditions shall prevail over General Conditions.

2. Specifications shall prevail over Tender Drawings.

3. Description of items in “Schedule of Units and Quantities” read in conjunction with preamble to the Schedule, if any, shall prevail over those provided in Specification and Drawings.

4. Between two issues of the same document, the document revised or re-issued as of the later date shall prevail.

5. All Specifications, Drawings and other documents shall be interpreted in conformity with these General Conditions of Contract as supplemented by and/or modified in the Special Conditions.

6. Wherever a Lumpsum Price for the Work is stipulated in the Award, the quantities stipulated in the “Schedule of Units and Quantities”, if any, shall be disregarded in construing this CONTRACT, and CONTRACTOR shall perform all the Work as envisaged in this CONTRACT including the Specifications and Drawings and CONTRACTOR shall be paid only the amount of such Lumpsum price in consideration thereof.

C. All dimensions marked on the Drawings are to be taken as correct in preference to measurements by scale.

D. CONTRACTOR shall bring to the attention of ENGINEER any obvious errors, omissions or discrepancies in the Specifications, Contract Drawings or other documents and shall request clarification from ENGINEER, whose decision shall be final and binding on and conclusive to the Parties. If work is done incorrectly because of failure to obtain this clarification from ENGINEER, CONTRACTOR shall correct such work at his own expenses.

34.00 CONDITIONS UNDER WHICH WORK MAY BE CAUSED TO BE COMPLETED BY OWNER.

A. If CONTRACTOR shall, at any time in the judgment of ENGINEER, fail to engage enough properly skilled workmen or materials, plant, equipment, tools, facilities and supplies of the proper quality or fail to execute the Work with promptness and diligence or fail to make prompt payment to sub contractors or for materials or labour or fail in performance of any of his obligations within the intended meaning of this CONTRACT as provided for herein and shall within three (3) days after receipt of written notice from ENGINEER, fail to remedy or commence to remedy any such defaults or shall interfere with or disrupt or threaten to interfere with or disrupt the work or any portion thereof in any manner, whether by reason of labour disputes, shortage of labour, materials or
otherwise or if the presence of CONTRACTOR or his agents or employees upon OWNER's premises or the fact that this CONTRACT has been made results in acts by third parties, which interfere with or disrupt the work or any portion thereof in any manner, whether by reason of a labour dispute, picketing, boycotting or otherwise or if a petition in bankruptcy shall be filed by or against CONTRACTOR or CONTRACTOR shall become insolvent, OWNER may, in any such event, terminate this CONTRACT with immediate effect or may exclude CONTRACTOR and his employees, sub-contractors and agents from the work or any portion thereof without terminating this CONTRACT.

Having exercised either of the above options, the work may be finished by ther agencies to be appointed by OWNER and for that purpose the agency so appointed shall be authorised to enter upon the premises and take charge of all materials, tools, equipment, facilities and supplies thereof and may have the work so taken over finalised by whatever method OWNER may deem expedient.

B. CONTRACTOR shall not be entitled in any such event as aforesaid to receive any further payment under this CONTRACT until such Work shall be wholly finished and maintained as determined by OWNER and all Payments shall be subject to Article 36F Final Payment. CONTRACTOR shall be entitled to payment only for the work performed by CONTRACTOR prior to the time of termination or exclusion as provided in paragraph A above. However, should any excess cost, expenses or any damages be incurred in completing the work, CONTRACTOR shall pay OWNER, such excess cost, expenses and/or damages as may be determined by OWNER whose decision in regard to the quantum shall be final and binding on and conclusive to the Parties and such cost, expenses or damages may be deducted or retained by OWNER in accordance with the provisions of the CONTRACT.

C. Any unused materials, tools, equipment, facilities and supplies furnished by CONTRACTOR for the work shall be returned to CONTRACTOR following the completion thereof.

D. The cost and expense of completing the work, as herein provided and any damage incurred through default of CONTRACTOR shall be audited and certified by OWNER, whose certificate thereof shall be final and binding and conclusive to the Parties.

E. In the event this CONTRACT is terminated as aforesaid, CONTRACTOR shall not be released from any costs, expenses, penalties or damages which may be assessed against or levied on the CONTRACTOR.

35.00 USE OF COMPLETED PORTIONS OR ITEMS OF WORK

A. Whenever, as determined by ENGINEER/OWNER any portion or item of work performed by CONTRACTOR, is in a condition suitable for use and require such use in the best interests of the Work, OWNER may cause the same to be taken over and used. Such use by OWNER shall, in no case, be construed as constituting final acceptance and shall neither relieve CONTRACTOR of any of his responsibilities under the CONTRACT nor act as a waiver of any of the conditions thereof provided that CONTRACTOR shall not be liable for the cost of repairs, rework or renewals which may be required owing to ordinary wear and tear resulting from such use.

B. If, as a result of CONTRACTOR's failure to comply with the provisions of this CONTRACT, CONTRACTOR has to perform work on the portion or item of work being used, such operation or use may continue until such portion or item of work can without injury to the WORK be taken out of service provided that the period of such operation or use pending completion of appropriate remedial action, shall not exceed twelve (12) months, unless otherwise mutually agreed upon in writing between the parties hereto. Nothing contained herein shall prejudice the right of OWNER or ENGINEER for claiming damages for any delay in completion of work or extra costs involved.

C. CONTRACTOR shall not use any permanently installed equipment unless such use is approved in advance by ENGINEER in writing on such terms as may be stipulated in such approval. Where CONTRACTOR's written request is granted for the use of certain equipment, CONTRACTOR shall properly use and maintain the equipment. Upon completion of its use and at his expense, repair, if necessary, such equipment to the satisfaction of ENGINEER.
36.00 PAYMENTS

A. ADVANCE PAYMENTS

I. Normally mobilisation advance will not be paid. However, in exceptional case, if the same is agreed to, the OWNER may approve payment of the following advance to CONTRACTOR to the extent and under the conditions as may be stipulated by OWNER at his entire discretion. Such advance payments shall carry interest at State Bank of India’s lending rate.

1. Initial mobilisation advance against Bank Guarantee in favour of the OWNER from any Nationalised / Scheduled Bank and in the format approved by the OWNER.

2. Equipment brought to site against hypothecation of the said Equipment:- Advance against machinery shall be made only in respect of those machines, the requirement of which is approved by ENGINEER as being minimum and The value in case of second hand machinery being subject to the assessment of ENGINEER/OWNER.

3. The recovery of mobilisation advance and the advance against old/new machinery shall be made on prorata basis during the period of Contract, starting from when 10% of the value of the Work is completed and recovered in full by the time 90% of the Work is completed. The OWNER, however, reserves the right to recover the full advance from the payments due to the CONTRACTOR in the event of termination of the CONTRACT or such circumstances that the necessity of advances is otherwise classified.

4. The value of Bank Guarantee furnished against mobilisation advance shall progressively stand reduced to the extent recoveries are effected from the bills of CONTRACTOR towards the mobilisation advance.

II. Advance to the extent of 75 % against cost of imperishable materials brought to the work site for incorporating in the Work, shall be paid at the sole discretion of the Owner.

Advance against materials to be incorporated in the item of Work brought to the work site shall be recovered from running bills prorata according to quantity of work billed for including wastage, if any.

B. PROGRESS PAYMENTS

1. OWNER shall pay to CONTRACTOR for such WORK as is performed by CONTRACTOR and as certified by ENGINEER as being acceptable in accordance with the provisions of this CONTRACT. Payment shall be based upon the quantity of work IN PLACE as per terms stipulated in the CONTRACT.

2. CONTRACTOR shall submit to OWNER a fortnightly bill showing the unit of work IN PLACE and the amounts claimed to be payable to CONTRACTOR in accordance with the terms and conditions of this CONTRACT. In case of a lumpsum CONTRACT, OWNER may stipulate in the CONTRACT Progressive Payments as a percentage based on the Progress Work as certified by ENGINEER. Upon receipt by ENGINEER of said bill, ENGINEER shall review such bill and within Fifteen (15) clear days from submission shall,

   a) Approve such bill and certify the same for payment

   OR

   b) Approve part of the bill(s) and certify that part for payment, request further clarifications / revisions from CONTRACTOR as to the balance and upon receipt of satisfactory clarifications/revisions from CONTRACTOR, certify the balance for payment

   OR

   c) Reject the entire bill subject to further clarification/ revisions from CONTRACTOR. Upon receipt by ENGINEER of satisfactory clarification/revisions to such rejected bill, ENGINEER shall approve and certify the clarified/revised bill for payment.

Payment for all bills shall be due from OWNER, except as otherwise provided herein within Fifteen (15) Clear Days of receipt by Owner ENGINEER’s certification of such bills.
3. All equipment and materials brought to the Worksite by CONTRACTOR when so brought shall be deemed to vest in OWNER without prejudice to the obligation of CONTRACTOR for their safe custody. CONTRACTOR shall intimate to ENGINEER all equipment and material brought to the Worksite at the time of bringing to the Worksite and the said Equipment and materials shall be subject to check by ENGINEER/OWNER at all times. No such equipment or materials shall be removed from the Worksite by CONTRACTOR without the express written permission of OWNER.

4. Delay of Payment shall not be construed as a breach of this CONTRACT

5. OWNER shall, in accordance with the Indian Income Tax Laws, withhold from payments to be made to CONTRACTOR as advance Tax, all amounts as may be required.

6. Payments made pursuant to this CONTRACT by Owner shall not be construed as the waiver of any breach hereof by CONTRACTOR or as an acceptance of defective Work or items of work not in conformity with the terms and conditions of this CONTRACT.

7. Progress payments shall be made as the Work progresses based upon quantities of Work In Place, less appropriate adjustment.

OWNER or his designated representatives may verify the progress of the work at any time. CONTRACTOR shall co-operate in permitting access, for verification of the progress to all places where work is being done or material is stored and shall provide safe and proper facilities at all times for such verification of progress.

8. Ad hoc / Advance of 75% will be released against the work done as assessed by the ENGINEER and on submission of progressive bill by the CONTRACTOR, pending detailed scrutiny/ verification by the ENGINEER. This will be adjusted fully on passing and releasing the full payment against the bill.

9. All progressive payments shall be regarded as advances against final payment and not as payment for Work done.

C. LIQUIDATED DAMAGES

1. The date(s) of completion of Work as stipulated in the CONTRACT including various intermediate milestones fixed by Engineer shall be of the essence of CONTRACT.

2. If, CONTRACTOR fails to complete the Work or the component part of the work within the stipulated completion date or the component milestone stipulated in the CONTRACT, CONTRACTOR shall pay to OWNER, as liquidated damages for such default (unless extension of time is granted by Engineer as provided under Article 32.0 hereof) for everyday which lapse between the date prescribed thus for and the actual date of completion of such component part of the Work, the amounts determined on the basis of the percentages of the apportioned value of such components as specified herein.

   i) Delay for first 20 days 0.1 % per day.
   ii) Delay beyond first 20 days 0.15% per day.

Subject to maximum of 5% of the total CONTRACT VALUE.

3. OWNER reserves the right to waive the liquidated damages either in part or in full at his sole discretion.

4. The payment or deduction or retention of such liquidated damages shall not relieve CONTRACTOR of the obligations and liabilities under this CONTRACT.

5. OWNER may recover, deduct or retain the liquidated damages as assessed above from any moneys due or which may become due or payable to CONTRACTOR in this or any other Contract or in any other manner decided by the OWNER.
6. Liquidated damages as provided herein above relate only to delay in the performance by CONTRACTOR of the Work or component part thereof and the parties hereto agree that such amount for such events are pre-estimated, fair and reasonable and acceptable to the parties.

7. Component Completion Milestone as used in this Article shall mean that point at which the respective component is sufficiently complete to permit CONTRACTOR or others to proceed with subsequent steps towards completion of the Work or any portion thereof without interference from or with the immediate area or an adjacent area. OWNER/ENGINEER shall be the sole judge as to whether such Component Completion Milestone has been achieved and his decisions shall be final, binding and conclusive. Nothing in this paragraph shall be deemed to limit CONTRACTOR’s obligations to complete all components to the satisfaction of ENGINEER/OWNER.

D. CONSEQUENTIAL DAMAGES

In case of Turnkey contracts, the Contractor will have to compensate the Owner towards Consequential Damages suffered by Owner due to time and / or cost overrun in completion of the turnkey projects. This will be in addition to the Liquidated Damages leviable.

E. CLAIMS AND DEDUCTIONS

1. CONTRACTOR shall send to ENGINEER/OWNER once each month an account giving full and detailed particulars of all claims for any additional expense(s), to which CONTRACTOR may consider himself entitled and of all Extra Work(s) ordered by ENGINEER which he has executed during the preceding month and no claim for payment for any such work(s) will be considered as has not been included in such particulars, provided always that OWNER shall be entitled to authorise payment to be made for any such work(s), notwithstanding CONTRACTOR’s failure to comply with this condition of CONTRACT, if he has, at the earliest practicable opportunity, notified OWNER / ENGINEER in writing that he intends to make a claim for such work.

2. All costs, charges or expenses, which OWNER may have paid to others for which, under this CONTRACT, CONTRACTOR is liable and all costs, claims, charges, damages or expenses to which OWNER and/or ENGINEER are entitled to receive from CONTRACTOR under this CONTRACT may be retained by OWNER from or set-off against any money payable by OWNER to CONTRACTOR under this CONTRACT or any other contract, without prejudice to the right of OWNER and/or ENGINEER, to recover such costs, claims, charges, penalties or expenses as otherwise provided by or under law.

F. FINAL PAYMENT

Final payment of all sums due to CONTRACTOR shall be made as follows:

1. On completion of the work(s) and acceptance thereof, CONTRACTOR shall prepare a final bill of all the works performed by him under the CONTRACT and submit the same for certification by ENGINEER within a period of 60 days of the completion of Work.

2. ENGINEER shall verify the bill and check the admissibility thereof under the CONTRACT, determine the liquidated damages, consequential damages, if any, recoverable from CONTRACTOR, make appropriate adjustment for all recoveries and advances and certify to OWNER that the work under CONTRACT is duly performed by CONTRACTOR and the amount, if any, payable or recoverable from CONTRACTOR.

3. Final payment of all sums, if any, due to CONTRACTOR shall be made by OWNER.. OWNER having always the right to recheck the bill of CONTRACTOR fully.

4. CONTRACTOR shall provide ENGINEER and OWNER with a certificate satisfactory to both that all privileges, liens, claims, obligations and liabilities against or chargeable to ENGINEER or OWNER have been fully paid, satisfied and released and that CONTRACTOR has no claim(s) against OWNER and/or ENGINEER
37.0 SECURITY DEPOSITS

A. Within 15 days of the award of the CONTRACT, CONTRACTOR shall deposit with OWNER an initial Security Deposit of 3% (three percent) of the Contract Value and the same shall be in cash or in any of the following forms.

1. Demand drafts drawn in favour of OWNER from any Nationalised / Scheduled Bank.

2. Bank Guarantee in prescribed Proforma (attached), executed by a Nationalised Bank / Scheduled Bank. If the bank guarantee is from a non-Indian Bank, the same shall be got stamped at Bangalore, Karnataka State, India, by the Foreign Banker’s Associates / Subsidiaries or agents in India, in accordance with the laws applicable in State of Karnataka, India.

B. If CONTRACTOR fails to provide the security within the period specified, such failure will constitute a breach of the Contract and the Owner shall be entitled to award the work elsewhere at CONTRACTOR’s risk and cost.

C. No claims shall lie against OWNER either in respect of interest due, if any, on security deposits or depreciation in their value.

D. As and by way of additional security, from every progressive bill of CONTRACTOR, Security Deposit at the rate of 7% of the Gross Value of such bill as determined before payment shall be retained by OWNER or CONTRACTOR can submit additional Security Deposit by Bank guarantee.

E. Whenever the Security Deposit is furnished by CONTRACTOR in any form other than cash or Demand Draft, CONTRACTOR shall be entirely responsible to keep such form of security deposit enforceable by OWNER by extending the validity thereof, if required, by removing the restrictions thereon, within one month before the due date of expiry and keep them enforceable until released by OWNER after the period of maintenance.

F. The Security Deposit shall remain at the entire disposal of OWNER as a security for satisfactory execution and completion of the Work(s). OWNER shall be at liberty to deduct and appropriate from the Security Deposit such damages (liquidated or otherwise) and other dues and recoveries from CONTRACTOR under this CONTRACT and the amount by which Security Deposit is reduced by such appropriations will be made by further deductions from CONTRACTOR’s subsequent bills to that extent as to make up the Security Deposit to the full.

G. Notwithstanding anything to contrary, in as much as the Security Deposit is to be in cash with OWNER, OWNER shall be entitled to enforce any of the approved forms of Security Deposit furnished by CONTRACTOR at any time and realise cash thereof irrespective of whether or not CONTRACTOR disputes such right. However, if CONTRACTOR obtains the extension of the time limit, if any, for the enforceability of such form of Security Deposit and intimates OWNER of such extension within one month before expiry, OWNER may not enforce such form of Security Deposit, unless it has otherwise become enforceable.

H. On due and satisfactory performance of all the obligations of CONTRACTOR under this CONTRACT including completion of work in all respects carrying out the obligations of CONTRACTOR during Period of Maintenance, Security Deposit shall be released by OWNER subject to recoveries, deductions and retentions there from as provided under the CONTRACT.

38.00 PERIOD OF MAINTENANCE AND MAINTENANCE CERTIFICATE

A. To the extent that the work shall, at or as soon as practicable after the expiry of the Period of Maintenance, be delivered upto OWNER in as good and perfect condition (fair wear and tear excepted) to the satisfaction of OWNER, as that, in which they were at the commencement of the Period of Maintenance, CONTRACTOR shall execute all such work of repair, modification, reconstruction, rectification and making good of defects, imperfections, shrinkages or other faults as may be required on CONTRACTOR in writing by ENGINEER / OWNER during the Period of Maintenance or within fourteen days after the expiry as a result of an inspection made
by or on behalf of OWNER prior to its expiry. The decision of OWNER shall be final, conclusive to and binding on the Parties in this regard.

B. All such work shall be carried out by CONTRACTOR at his own expense if the necessity thereof shall, in the opinion of ENGINEER/OWNER, be due to the use of material or workmanship not in accordance with this CONTRACT or to neglect or failure on the part of CONTRACTOR to comply with any obligation expressed or implied on CONTRACTOR's part under this Contract. If, in the opinion of ENGINEER/OWNER, such necessity is due to any other cause, the value of work shall be ascertained and paid for as if it was Extra Work. In case the CONTRACTOR fails to keep the required work force at Site during maintenance period, the OWNER reserves the right to change / replace any portion of the work without waiting for the CONTRACTOR, if the same is essential for keeping the operations running. The cost of such work will be recovered from the CONTRACTOR.

C. If CONTRACTOR fails to do any such work as aforesaid required by OWNER/ENGINEER, OWNER shall be entitled to have such work carried out at CONTRACTOR's own cost and OWNER shall be entitled to recover from CONTRACTOR the cost thereof or may deduct the same from any money payable to CONTRACTOR or otherwise.

D. CONTRACTOR shall, if required by ENGINEER/OWNER in writing, search for the cause of any defect, imperfection or fault under the directions of ENGINEER. Unless such defects, imperfection or fault shall be one, for which CONTRACTOR is not liable under this CONTRACT, the cost of the work carried out by CONTRACTOR is not liable under this CONTRACT, the cost of the Work carried out by CONTRACTOR in searching as aforesaid, shall be borne by OWNER. But if such defect, imperfection or default shall be one for which CONTRACTOR is liable as aforesaid, the cost of work carried out in searching as aforesaid, shall be borne by CONTRACTOR and he shall, in such case, repair, rectify and make good such defect, imperfection of default at his own expenses to the satisfaction of ENGINEER/OWNER. The decision(s) of ENGINEER / OWNER in these respects shall be final and binding on and conclusive to the Parties.

E. The work shall not be considered completed, until the work shall have been completed and maintained to ENGINEER/OWNER's satisfaction. The Maintenance Certificate shall be given by ENGINEER fourteen days after the expiration of the period of maintenance on the request of CONTRACTOR, or as soon thereafter, as any work ordered during such period, shall have been completed to the satisfaction of OWNER/ENGINEER and full effect shall be given to this Article, notwithstanding any previous entry on or the taking possession of or using thereof.

F. No certificate other than the Maintenance Certificate referred to above shall be deemed to constitute approval of any work or other matter in respect of performance of this CONTRACT or any part thereof or the accuracy of any claim or demand made by CONTRACTOR or of Extra Work, having been ordered by OWNER or should any other certificate conclude or prejudice any of the powers of ENGINEER/OWNER.

G. ENGINEER/OWNER may by any certificate make any correction or modification in any previous certificate, which shall have been issued by him and shall have the power to withhold any certificate if the work or any item hereof is not being carried out to his satisfaction.

H. No claim by CONTRACTOR for any matter or thing arising out of or in connection with this CONTRACT or the execution of the Work shall be considered unless CONTRACTOR shall have made a claim in writing in respect thereof before giving of the Maintenance Certificate.

I. Period of Maintenance shall be calculated from the date of completion of the Works certified by ENGINEER

J. The period of maintenance shall cover a period of twelve (12) months (unless otherwise specified in the (CONTRACT) after a final certificate of the completion of the work has been issued by ENGINEER as stated above.
39.00 RESPONSIBILITY FOR SAFETY

CONTRACTOR shall comply safety regulations as per statutory requirement under The Factory Act and other relevant statutes.

A. The safety of all persons employed by CONTRACTOR and his SUB-CONTRACTORS on the work site or any other person who enters upon the work site for reasons relating to this CONTRACT, shall be the sole responsibility of CONTRACTOR and CONTRACTOR shall defend, indemnify and save harmless OWNER and ENGINEER from and against any actions, claims, damages, cost resulting from death to or injuries sustained by these person(s), on the work site. Statutory regulations for safety of workers shall be followed and the workmen provided with necessary safety gadgets.

B. Contractor shall at all times maintain good order among his employees and shall not employ on the work site any unfit person or anyone not skilled in the work assigned to him. Contractor shall confine his employees and all other persons, who come on to the work site at Contractor's request or for reasons relating to this CONTRACT, and confine his equipment to that portion of the Work where the work under this CONTRACT is to be performed or to roads leading to and from, such work sites and to any other area which ENGINEER/OWNER may permit CONTRACTOR to use.

C. CONTRACTOR shall take all reasonable measures and precautions at all times to prevent injuries to or the death of any of his employees or any other person who enters upon the project. Such measures and precautions shall include, but shall not be limited to, all safeguards and warnings necessary to protect workman and others against any conditions on the portion of the WORK which could be dangerous and to prevent accidents of any kind whenever work is being performed in proximity to any moving or operating machinery, equipment or facilities, whether such machinery, equipment or facilities are the property of or are being operated by CONTRACTOR, his sub-contractors, OWNER / ENGINEER or other CONTRACTOR or other persons.

D. It is understood that if employees of ENGINEER/OWNER perform any acts for the purpose of discharging the responsibility undertaken by CONTRACTOR in this article, whether requested to perform such acts by CONTRACTOR or not, such employees of OWNER or ENGINEER, while performing such acts, shall be considered the agents and servant of CONTRACTOR, subject to the exclusive control of CONTRACTOR.

40.00 EXPLOSIVES AND HAZARDOUS MATERIALS.

40.01 The character, storage and method of use of all explosives / hazardous materials shall be subject to and in conformity with any applicable laws, ordinances and/or regulations. In case of blasting, the hours during which blasting operations may be carried out shall be subject to the approval of ENGINEER/OWNER.

41.00 INDEMNITY

A. CONTRACTOR shall defend, indemnify and save harmless ENGINEER and OWNER, their Officers, Directors, Servants and Employees from and against any and all expenses and cost (including court cost and attorney's fees), damages or liabilities of any kind or nature whatsoever, which may arise out of or result from any claims, demands, causes of action and/or judgements stated or obtained by or threatened to be instituted by CONTRACTOR, his employees, other contractors, any third party or any person or persons including, but not limited to, property damage or the death or injury of any person resulting from any defects, faults, shortages, errors, omissions, neglect, whether deliberate or accidental or wilful misconduct of CONTRACTOR, his agents, servants or sub-contractors, in the use, occupation, ownership of property or the performance of any work undertaken by CONTRACTOR, his agents, servants or sub-contractors. These obligations shall survive the completion, cancellation or termination of this CONTRACT.

B. Should ENGINEER or OWNER deem himself insecure as to the ability of CONTRACTOR to so indemnify, ENGINEER/OWNER may demand that CONTRACTOR promptly provide reasonable
assurance in form and substance satisfactory to OWNER, of CONTRACTOR’s ability to comply with the provisions of this Article. CONTRACTOR’s failure to provide such satisfactory assurance shall be a sufficient ground for termination of this CONTRACT OWNER shall have the final decision of the satisfactoriness of any such assurance and OWNER’s decision shall be final and binding.

42.00 INSURANCE

A. CONTRACTOR shall maintain and require his sub-contractors to maintain in full force and effect, from Insurance Companies in India acceptable to OWNER from the time of execution of this CONTRACT.

1. All such Insurances as are required by law concerning the ownership, operation or use of any motor vehicles, specifically including liability insurance protection

2. Such Insurance(s) in such amounts to cover such risks as shall be required by OWNER.

3. CONTRACTOR shall obtain and maintain such Insurance(s) as will protect CONTRACTOR and OWNER from claims under any employee benefit laws, workmen’s compensation laws and disability benefit laws, from claims of damages because of bodily injury, occupational sickness or disease or death of any of CONTRACTOR’s employees resulting from or relating to the Work.

4. CONTRACTOR shall obtain and keep in full force and effect Insurance(s) of such types and for such amounts as are required by Indian Laws, Ordinances or Regulations.

B. CONTRACTOR shall submit copies of such policies and coverage for written approval by ENGINEER/OWNER.

C. CONTRACTOR shall ensure that the insurer furnishes ENGINEER/OWNER with evidence of such Insurance(s), a copy of the issued policy and any amendments thereto and prompt notification of any cancellation or termination thereof. Should CONTRACTOR default in paying any premium when due, OWNER, without prejudice to other remedies set forth in this CONTRACT shall be at liberty to pay such premium and recover the same from CONTRACTOR.

D. Any such insurance requirements are hereby established as the minimum policies and coverages which CONTRACTOR must secure and keep in force. CONTRACTOR shall, at all times, be free to obtain additional or increased coverage at CONTRACTOR’s sole expense.

E. The provisions contained within this Article are not intended and do not impair or in any manner limit the liabilities or obligation assumed by CONTRACTOR as may be set forth more fully elsewhere in this CONTRACT.

43.00 LABOUR LAWS

CONTRACTOR shall comply with any and all laws, ordinances, regulations and decisions of courts (which shall be deemed to be a part of this CONTRACT) concerning the health, sanitary arrangements, wages, welfare, safety and employment of any and all of his workers upon the work site or any portion thereof and shall exclusively bear the consequences of failure to comply therewith. CONTRACTOR shall indemnify and hold ENGINEER and OWNER harmless from any claims, fines or penalties which may be made against ENGINEER or OWNER as a result of CONTRACTOR’s failure to fulfill these obligations.

Without limiting the generality of the foregoing, CONTRACTOR shall fully comply with the following:

A. CONTRACTOR shall not employ children below the age stipulated under law.

B. Minimum Wages Act: CONTRACTOR shall comply with the provisions of the Minimum Wages Act and any Rules made thereunder by any Government in respect of all employees employed by him in carrying out this CONTRACT. CONTRACTOR shall pay the employees wages not less
than the minimum rates of wages, if any, fixed by such Government for that Category (including wages, payable for weekly holidays contemplated under the Minimum Wages Act).

CONTRACTOR, subject to the authority given to ENGINEER under the paragraphs of this Article and subject to OWNER's right to control access to the project, shall have full control of labour employed by CONTRACTOR on or about the work, with the power to employ and discharge and CONTRACTOR shall fulfil his obligations to pay or cause to be paid wages or compensations made applicable by any laws, ordinances or regulations promulgated by the Government of India or any State Government or local authorities. In the event of failure of CONTRACTOR to disburse wages due to his own and sub-contractors labour, the OWNER reserves the right to effect such payments directly and adjust the same against amount due to the CONTRACTOR.

CONTRACTOR shall, at all times indemnify OWNER against all claims arising out of provisions of such Minimum Wages Act and any Rules framed thereunder as admissible in respect of any workman employed by CONTRACTOR in carrying out this CONTRACT and against all costs and expenses incurred by OWNER in connection with and without prejudice to other means of recovery. OWNER shall be entitled to deduct from any moneys due or to become due to CONTRACTOR (whether in this CONTRACT or any other Contract) all money paid or payable by OWNER by way of wages and other dues (including compensation, penalty, if any, imposed for committing breach of any provision of any such act by CONTRACTOR) in connection with any claim thereto and CONTRACTOR shall abide by the decision of OWNER as to sum payable by CONTRACTOR under the provisions of this paragraph.

CONTRACTOR shall ensure payment of minimum wages not only as existing at the time of award but also as may be notified by statutory authorities.

C. CONTRACTOR shall comply with all the provisions of the Contract Labour (Regulation and Abolition) Act and the Rules made thereunder. CONTRACTOR shall get his establishment registered and/or obtain Licence, as the case may be, from the authorities declared under the said Act and Rules and intimate OWNER before starting the work under this CONTRACT. If CONTRACTOR fails to obtain the licence before commencement of the work, ENGINEER/OWNER shall have the right to terminate this CONTRACT without any reference to CONTRACTOR and in such case CONTRACTOR shall be liable to pay all the expenditure and cost incurred or may be incurred owing to cancellation of this CONTRACT.

CONTRACTOR shall ensure, as provided in the said Act, that the disbursement of wages to his direct and indirect labour is made in the presence of the authorized representative of OWNER. CONTRACTOR shall give for this purpose prior notice to the authorized representative of OWNER at least 48 hours prior to the time of actual payment of wages regarding the date, place and time at which the disbursement of wages is to be made for his direct and indirect labour. CONTRACTOR shall also ensure that the payment to his indirect labour is made on the same date and time and at the same place where his direct labourers are paid. Further, the payment of wages by CONTRACTOR to his direct labourers shall be made only on working days and only at this place of work and not otherwise. In case the total strength of the direct and indirect labourers of all the work that CONTRACTOR is executing exceeds at any time the strength of the workers specified in his licence, it shall be CONTRACTOR's responsibility to ensure that his licence is modified for the increased strength prior to the engagement of such additional direct and indirect labourers.

D. CONTRACTOR shall, at all times, indemnify OWNER against all claims for compensation under the provision of the Workman's Compensation Act 1923 (viii of 1923) or any other law for the time being in force by or in respect of, any workmen employed by CONTRACTOR in carrying out this CONTRACT and against all costs and expenses or damages incurred by OWNER in connection there with and without prejudice to any other means of recovery. OWN ER shall be entitled to deduct from any money payable to CONTRACTOR (whether under this CONTRACT or any other contract) all money paid or payable by OWNER by way of compensation aforesaid or for costs or expenses in connection with any claim thereto and CONTRACTOR shall abide by
the decision of OWNER as to the sum payable by CONTRACTOR under the provisions of this paragraph.

E. In respect of labourers directly or indirectly employed on the work, CONTRACTOR shall provide at his costs, reasonable facilities for securing proper working and living conditions such as water supply, lavatories, bathing places, cleanliness etc. Where women labour is employed, urinals and lavatories shall be provided separately by CONTRACTOR for male and female workers as well as crèches for the infant children of women labourers. Labourers engaged on hazardous jobs and occupations shall be provided with necessary safety appliances by CONTRACTOR free of charge. CONTRACTOR shall provide hutsments for labourers employed on the work.

F. CONTRACTOR's establishment will be subject to inspection, investigation etc., by ENGINEER/OWNER for assuring proper and faithful compliance of the provision of this CONTRACT by CONTRACTOR with regard to the implementation of Labour Laws and other matters anticipated herein. CONTRACTOR shall abide by the decisions and orders of ENGINEER/OWNER with regard to any such matter and furnish, if required, necessary compliance report within the stipulated time.

G. CONTRACTOR shall be responsible for the observance of the provisions of this clause by subcontractors employed by him in the execution of this CONTRACT.

H. CONTRACTOR shall comply with the provisions of the Payment of Wages Act, 1936 and Rules made thereunder in respect of all employees employed by him in carrying out this CONTRACT.

I. CONTRACTOR shall comply with all the provisions of Employees Provident Fund and Misc. Act 1952, Rules and Schemes made thereunder. CONTRACTOR shall get his establishments covered under the said Act, Rules and Schemes made thereunder and intimate to the OWNER the Account Number allotted or any other arrangement approved by the concerned authorities before starting working under this Contract. If CONTRACTOR fails to comply the aforesaid before commencing the work, ENGINEER/OWNER shall have the right to terminate this CONTRACT without any reference to the CONTRACTOR and in such cases, the CONTRACTOR shall be liable to pay to the ENGINEER/OWNER all the expenses and cost incurred or may be incurred owing to the cancellation of this CONTRACT. The ENGINEER/OWNER shall also have the right to recover any penalties levied by the concerned authorities for any failure on the part of the CONTRACTOR,

J. The CONTRACTOR shall comply with all the Provisions of the Factory Act, Rules and Regulations made thereunder.

K. The CONTRACTOR shall comply with all the provisions of the Maternity Benefit Act 1961 and Rules made thereunder in respect of female workers, if any engaged by them.

L. The CONTRACTOR shall furnish all the information required by the OWNER monthly or at such intervals to enable the OWNER to satisfy himself that all labour and welfare measures prescribed by Law have been fulfilled by the CONTRACTOR from time to time.

44.00 CONFIDENTIALITY: TITLE TO DRAWINGS AND TECHNICAL DOCUMENTATION

A. Title to all technical data including, but not limited to, Specifications, Drawings, Bills of materials, How Diagrams, Layout details and the contents thereof, furnished by ENGINEER to CONTRACTOR shall remain with ENGINEER or with OWNER as the case may be.

1. Such data shall not be used or divulged to others by CONTRACTOR except to the extent necessary in connection with CONTRACTOR’s performance hereunder.

2. CONTRACTOR shall use his best efforts to prevent any disclosure of such data to others by CONTRACTOR’s personnel and shall take all reasonable steps necessary to prevent such disclosures.
3. At ENGINEER’S request, any Specifications, Drawings or other technical data furnished to CONTRACTOR by ENGINEER shall be returned to ENGINEER/OWNER upon

   a) Complete or partial termination, as provided for herein, of CONTRACTOR’s services: or,
   b) Completion of the Work.

B. CONTRACTOR shall not have any title in Specifications, Drawings, Bills of materials, Diagrams, Reports, Layout details, Memorandum as well as any other technical data and the contents thereof whether prepared by ENGINEER or CONTRACTOR and ENGINEER/ OWNER, as the case may be, shall have the full title thereof, such materials and data shall not be used or divulged to others by CONTRACTOR except to the extent necessary in connection with CONTRACTOR’s performance hereunder.

C. The provisions relating to confidentiality of technical data as set forth above shall not apply to technical data which

1. In the case of data furnished to CONTRACTOR by ENGINEER were known to CONTRACTOR prior to the time they were furnished in and in the case of data prepared thereunder or by any third party under CONTRACTOR’s direction, were known to CONTRACTOR or such third party prior to their preparation hereunder (except if CONTRACTOR and/or such third party are prohibited from disclosing such technical data by separate prior agreement) ; or

2. Is or later becomes generally available to public; or

3. Is received from third parties having a bonafide right to make such disclosure.

D. CONTRACTOR, before making disclosure to third party of any of the information referenced in this Article, shall obtain a written commitment from such third party to abide by the provisions of this Article, Such commitments shall be approved by ENGINEER and shall expressly set forth the provisions contained in this Article and shall be signed by such third party.

E. No part of this CONTRACT nor any information relating to the project or any portion thereof shall be made public by CONTRACTOR in any manner without the prior review and written consent of ENGINEER. In addition, CONTRACTOR shall not make public any information related to the progress of the work or any portion thereof.

F. Obligations arising under this Article shall survive complete termination of this CONTRACT.

45.00 CO-OPERATION WITH OTHER CONTRACTORS

45.01 CONTRACTORS and his sub-contractors, if any, shall co-operate with OWNER/ENGINEER and other contractors on the project and shall so carry out their work so that other Contractors shall not be hindered, delayed or interfered with, in the progress of their work and so that the Work shall be properly and expeditiously completed. CONTRACTOR shall also plan his operations as to avoid interference with the operations of OWNER or other Contractors or sub-contractors on the work site any portion thereof or other items of work in the area. Where precedence of the work between various Contractors is involved, the decision of ENGINEER/OWNER shall be final and without recourse.

46.00 STORAGE

46.01 CONTRACTOR shall provide or cause to be provided all storage yards, transit sheds and warehouses necessary for the performance of his work at locations approved by ENGINEER / OWNER. Material supplies, equipment and plant stored by CONTRACTOR shall be effectively protected against pilferage and against damage by the elements. CONTRACTOR shall adopt all procedures, maintain all personnel and keep all records so that at all times CONTRACTOR can account for

- store receipts
- storage locations
- inventories
- disbursements
- final destinations

of all stored items received for CONTRACTOR’s work on the Works or/ and portion thereof.

47.00 PRIVILEGES

47.01 CONTRACTOR shall also pay, satisfy and discharge liens and all claims, obligations and liabilities which may be asserted against ENGINEER or OWNER or his property by reason of or as a result of any acts or omissions of CONTRACTOR, his employees, representatives, licencees or suppliers or his sub-contractors, in connection with or relating to the performance of this CONTRACT.

48.00 INVENTIONS AND PATENTS

A. If any officer or employee of CONTRACTOR, during the performance of the Work, makes any invention directly related to the project, such invention shall be promptly disclosed to ENGINEER and OWNER.

B. CONTRACTOR agrees to indemnify, save and defend harmless ENGINEER/OWNER from and against any and all suits, legal proceedings, claims, demands, damages, costs and attorney’s fees incidental to any infringement or to any claimed infringement of any patent or patents in the manufacture, sale or use of any materials or apparatus furnished by CONTRACTOR under this CONTRACT. ENGINEER and/or OWNER may be represented in any such or legal proceedings by attorneys of their own selection.

49.00 REPORTS AND RECORDS

A. Within Fifteen (15) days of the award, Contractor shall submit to ENGINEER/OWNER, CONTRACTOR’s programme, the content and form of which shall be satisfactory to OWNER / ENGINEER, showing the order of procedure and method in which he proposes to carry out the work and time limit and sequence of carrying out the work and shall, whenever required by ENGINEER/OWNER, furnish for his information particulars in writing of CONTRACTOR’s arrangements for the carrying out of the Work and constructional plant and temporary works which CONTRACTOR intends to supply, use or construct as the case may be. The approval by ENGINEER/OWNER of such programme or the furnishing of such particulars shall not relieve CONTRACTOR of any of his duties or responsibilities under this CONTRACT.

B. CONTRACTOR shall submit to ENGINEER/OWNER by the Fifth (5) day of each month for each part of his Work under this CONTRACT and in summary.

1. A month by month forecast and a historical record upto completion of his requirements and actual use of:
   - manpower by craft, type and position or other description.
   - materials and supplies including quantity on hand and delivery status.
   - construction equipment and plant furnished by CONTRACTOR.

2. A month by month forecast upto completion of the amount of work done and the amount remaining to be completed and all historical record of the work performed.

3. Such other reports as ENGINEER/OWNER may from time to time specify.
50.00 MEASUREMENTS

A. The mode of measurement shall be in accordance with Bureau of Indian Standard Specifications as laid down in BIS 1200 unless otherwise specified to the contrary. In the event BIS does not specify any mode of measurement for a particular item of work, the same shall be measured as directed by ENGINEER/OWNER.

B. ENGINEER shall, unless otherwise stated, ascertain the value and work done in accordance with this CONTRACT. ENGINEER shall, when he requires any part or parts or the work to be measured, give notice to CONTRACTOR who shall forthwith attend or send a qualified agent to assist ENGINEER or ENGINEER's representative in making such measurement and shall furnish all particulars required by either of them. Should CONTRACTOR not attend or neglect or omit to send such agent, then the measurement made by ENGINEER or approved by him shall be taken to be the correct measurement of the work.

C. RECORDS OF MEASUREMENTS

I. Progress payments of all Work in place will be on the basis of measurement sheet/books.

II. All pages of measurement books/sheets shall be machine numbered. All receipts and issues of measurement books/sheets shall be recorded in a register. The eventual return of all measurement books/sheets shall be recorded and carefully preserved.

D. DETAILED MEASUREMENT

All measurement shall be neatly written on the measurement books/sheets. Each set of measurements shall commence with entries stating

   a) Full Name of Work as given in the Contract.
   b) Location of work.
   c) Name of CONTRACTOR.
   d) Date of CONTRACT entered into with CONTRACTOR.
   e) Date of Commencement of work,
   f) Date of completion of work.
   g) Date of measurement.

At the end of measurements, dated signature, designation of the person, who recorded the measurements shall be made.

E. CONTRACTOR's SIGNATURE ON MEASUREMENT BOOK

Measurements entered in the Measurement Book shall invariably be signed by CONTRACTOR or his authorised agent in token of his acceptance. Should CONTRACTOR fail to sign, ENGINEER shall note this in such Measurement Book and the measurements recorded by ENGINEER shall be final and binding on and conclusive to the Parties.

51.00 TAXES

51.01 CONTRACTOR shall pay all contributions, fees, taxes and premiums payable under all applicable laws relating to the employment and/or measured upon the payroll of employees engaged in the performance of work under CONTRACT and all sales tax, excise, octroi, royalty, transportation, privilege, occupational and other taxes and duties applicable to Equipment, materials and supplies furnished or work performed which CONTRACTOR is required by law to pay and shall keep harmless OWNER from liability for such contributions, premiums and taxes. Under no circumstances shall CONTRACTOR be reimbursed for any income taxes or corporate taxes, fees or levies.
52.00 AUDIT

A. CONTRACTOR’s accounts, related to the Work or any portion thereof shall be available for audit by designated representatives of OWNER at all reasonable times.

B. Such representatives shall at all times be afforded proper facilities for inspection of CONTRACTOR’s accounts and shall have access to CONTRACTOR’s premises, work and materials, records, ledgers and vouchers of every description pertaining to CONTRACTOR’s performance of this CONTRACT.

53.00 INDEPENDENT CONTRACTOR

53.01 In the performance of the work, CONTRACTOR shall act as an independent Contractor and not as agent or employee of ENGINEER or of OWNER.

54.00 ASSIGNMENT

A. CONTRACTOR shall not assign this CONTRACT or sublet it in whole or in part without prior written consent of OWNER, nor shall CONTRACTOR assign any moneys due or to become due hereunder without the prior written consent of OWNER. Any permitted assignment of subletting under this CONTRACT shall not release CONTRACTOR from his obligation to perform and any assignee or sub-contractor shall be considered the agent of CONTRACTOR and, as between the parties, hereto, CONTRACTOR shall be and remain liable as if no such assignment or subletting had been made.

B. Without restricting the foregoing, CONTRACTOR hereby agrees and undertakes to include in his contract(s) with sub-contractor(s), in their essence, all the terms and conditions of this CONTRACT.

55.00 FORCE MAJEURE

A. Any delay, in or failure of performance of the CONTRACT by CONTRACTOR or OWNER shall not constitute defaults by such party or give rise to any claim for damages against it, if and to the extent such delay or failure of performance is caused by acts of God, acts of war or hostilities, acts or omissions of Government, invasion, revolution, civil commotion, blockade, embargo, sabotage, fires, severe earth quakes, typhoons, cyclones, lightning, plague, epidemic or other act, omission or circumstances, (excluding monsoon) which are beyond the reasonable control of the parties affected which they could not have reasonably foreseen and guarded against and which by exercise of reasonable care and diligence, they are unable to prevent (hereinafter referred to as Force Majeure). ENGINEER/OWNER shall be the sole judge to decide whether or not an event is Force Majeure and decision is final and binding. Monsoon season is not considered a FORCE MAJEURE event.

B. The party affected by the occurrence of the event of Force Majeure shall promptly notify within 10 days of such occurrence to the other party hereto at its commencement and termination along with the copies of any documents, if any, showing the existing or termination of such event and its effect on the WORK. Delay occasioned by Force Majeure shall give rise to an extension of the time for performance of either party obligations under this CONTRACT commensurate with such delay.

C. Should CONTRACTOR or OWNER be prevented from fulfilling his obligations as provided for under this CONTRACT by the existence of a cause of Force Majeure lasting continuously for a period of forty five (45) days, the party which is so prevented shall prior to the termination of the Force Majeure condition and after the expiry of the said period of forty five (45) days have the option to terminate this CONTRACT without further liability to either party, except that CONTRACTOR shall be paid for the work performed upto the date of such termination.
56.00 TERMINATION

Except as otherwise provided in Article 34, conditions under which the work may be caused to be completed, which Article, if applicable shall expressly, supersede the provisions of this Article, if either party hereto commits a breach of any of the terms and provisions contained in this CONTRACT and required to be observed/complied with on its part other than delay in payment or non-payment by OWNER and CONTRACTOR of any amounts when due, the party affected by such breach shall notify the other party of such breach and the party committing the breach shall have fifteen (15) clear days from the receipt of such notice to correct or commence action to correct such breach.

1. If the party committing the breach fail or neglect to remedy or commence action to remedy such breach within the said fifteen (15) clear days from the date of service of the notice as aforesaid, the party affected by the breach may thereafter serve on the party committing the breach a written notice of seven (7) clear days terminating this CONTRACT.

2. In the event of termination of this CONTRACT by OWNER, as aforesaid, OWNER subject to the provisions of paragraph (3) below shall pay to CONTRACTOR such amounts as may remain due and outstanding at the time of such termination in accordance with the terms and provisions of this CONTRACT.

3. If this CONTRACT is terminated by OWNER on account of breach of any of its terms and provisions which CONTRACTOR failed to remedy in spite of notices having been given to them as aforesaid, OWNER shall be entitled to make a claim on, and demand payment in respect thereof from CONTRACTOR for damages (including liquidated damages / consequential damages) arising as a result of such breach. For the purpose aforesaid, OWNER shall be entitled to deduct or retain amounts for such damages from moneys payable to CONTRACTOR any amount payable or which may become payable to CONTRACTOR in accordance with the terms and provisions of this CONTRACT.

4. If this CONTRACT is terminated by CONTRACTOR on account of breach of any of its terms and provisions which OWNER failed to remedy in spite of notices having been given to him as aforesaid, CONTRACTOR shall be entitled to make claim and demand payment in respect thereof from OWNER for actual damages arising as a result of such breach.

5. OWNER shall have the right to terminate this CONTRACT hereunder on fifteen (15) clear days notice without assigning any reason therefor, in which event OWNER will pay CONTRACTOR for all work performed upto the date of such termination in accordance with the Award. Such work performed shall be documented to the satisfaction of OWNER and OWNER shall take full credit for any amounts previously paid to CONTRACTOR. OWNER shall not pay or be liable to pay any damage or other claim by CONTRACTOR for his expected profit or interest on the value of the uncompleted items of Work and CONTRACTOR hereby waives any right of action in damages or otherwise against OWNER by reason of such termination.

57.00 MISCELLANEOUS

A. CONTRACTOR shall, at his own cost, provide the material for and execute all temporary shoring, timbering and strutting and such other structures as are necessary during the execution of Work for stability and safety of all structures, excavations and work such that no damage, injury or loss is caused or likely to be caused to any person or property.

B. CONTRACTOR shall, at his own cost, provide such sheds, store houses as OWNER/ENGINEER may consider necessary for storing of materials and shall also, at his own cost provide all construction equipments.

C. Any demurrage charges that may be incurred owing to CONTRACTOR’s failing to unload or load the same on being called upon to do so, unload his own materials and equipments booked in the name of the OWNER will be debited to CONTRACTOR’s account and shall be paid by him to the proper officer on demand or deducted from any sum which may be due to him from OWNER.
D. When work is being carried out in or around a running plant where the plant must run uninterrupted, CONTRACTOR can only work at specified places and times mutually arranged. Progress of Work in certain areas might have to be expedited as required by ENGINEER/OWNER.

E. The use or sale of ardent spirits or other intoxicating beverages upon the work spot and any other unlawful activities are strictly forbidden and CONTRACTOR shall strictly comply with these conditions.

F. Except where otherwise specified, CONTRACTOR, shall pay all tollage and other royalties, rent and other payments or compensation (if any) for getting stone, sand, gravel, clay or other materials required for the Work or temporary works or any of them.

G. All operations necessary for the execution of the Work and for the construction of any temporary works shall so far as compliance with requirements of the CONTRACT permits, be carried on so as not to interfere unnecessarily or improperly with the public convenience or the access to use and occupation of public or private roads, railway tracks and footpaths or to or of properties whether in the possession of OWNER or any other person and works of other Contractors and CONTRACTOR shall save harmless ENGINEER/OWNER and indemnify ENGINEER/OWNER in respect of all claims, demands, proceedings, damages, costs, charges and expenses whatsoever arising out of or in relation to any such matters.

H. CONTRACTOR shall use every reasonable means to prevent any of the highways or bridges communicating with or on the routes to project from being subjected to extraordinary traffic of CONTRACTOR or any of his sub-contractors and in particular, shall select routes and use vehicles and restrict and distribute loads so that any such extraordinary traffic as will inevitably arise from the moving of plant materials and equipment from and to the project shall be limited so far as reasonably possible and so that no unnecessary damage or injury may be occasioned to such highways and bridges. Damages, if any, shall be rectified by the CONTRACTOR at his own cost.

I. Where the nature of the work is such as to require the use by CONTRACTOR of waterborne transport, the foregoing provisions of this clause shall be construed as though highway included a lock, dock, seawall or other structural related to a waterway and vehicles included craft and shall have effect accordingly.

J. CONTRACTOR shall, in accordance with the requirements of ENGINEER/ OWNER, afford all reasonable facilities for any other contractors employed on the project and their workmen and for the workmen of OWNER and of any other properly authorised authority or statutory body, who may be employed in the execution on or near the location of any work not included in this CONTRACT or of any contract which ENGINEER/OWNER may enter into in connection with or ancillary to the project.

K. Should the general conduct of the work, including the premises of OWNER under occupation of CONTRACTOR lead to infringement of the Indian Penal Code, either in consequence of the riotous or illegal proceedings of CONTRACTOR’s labour, supervising staff of others to such an extent as to necessitate the employment of Special Police or Magistrate, the cost of such extra force is to be defrayed by CONTRACTOR and not by ENGINEER / OWNER.

L. CONTRACTOR must take sufficient care in moving his construction plants and Equipments from one place to another so that they may not cause any damage to the property of ENGINEER/OWNER or other person particularly to the overhead and underground cables and, in the event of his failure to do so, the cost of such damages, including eventual loss of working hours on any work as estimated by OWNER/ ENGINEER, is to be borne by CONTRACTOR.

M. All fossils, coins, articles of value or antiquity and structures and other remains or things of geological or archeological interest discovered on the site shall be, as between OWNER and CONTRACTOR deemed to be absolute property of OWNER and CONTRACTOR shall take reasonable precautions to prevent his workmen or any other persons from removing or damaging any such article and shall immediately, upon discovery thereof and before removal acquaint OWNER / ENGINEER of such discovery and carry out OWNER / ENGINEER’s orders as to the disposal of the same.
58.00 GOVERNING LAWS

58.01 This CONTRACT shall be governed and interpreted in accordance with the Laws in India. Any provision, required to be included in a contract of this type by any applicable and valid law, ordinance, rule or regulation, shall be deemed to be incorporated herein.

59.00 SETTLEMENT OF DISPUTES

A. If at any time any question, disputes or difference of whatsoever nature shall arise between the Owner and the Contractor upon or in relation to or in connection with the Contract, either party may forthwith give to the other notice in writing of the existence of such question, dispute or difference and the same other than the questions, disputes or differences for the decision of which specific provisions have been made in the foregoing Articles of these conditions hereinafter referred to as “Excepted Matters” and the decision of such “Excepted Matters” according to the said provisions shall be final and binding on the Parties shall be referred to Arbitration by a sole arbitrator to be appointed by the Chairman cum Managing Director / Managing Director of the Owner or any person acting in such capacity.

B. When the Sole Arbitrator withdraws from his office for any reason whatsoever, he shall be replaced by the Chairman cum Managing Director/ Managing Director of the OWNER or any person acting in that capacity. The arbitral proceedings shall continue from that stage onwards and the earlier hearings shall not be repeated.

C. The language to be used in the arbitration proceedings shall be English.

D. The award of the arbitrator shall be final, conclusive and binding on the Parties.

E. The provisions of Arbitration and Conciliation Act, 1996 and the Rules there under and amendments thereto in force shall be applicable to this Contract.

F. The Venue of Arbitral Proceedings shall be only in Bangalore, India.

G. Only courts in Bangalore shall have jurisdiction regarding the matters relating to this arbitration.

60.00 NOTICES

60.01 Any written notices or other documents or drawing required by this CONTRACT shall be sent by Registered Post, Postage prepaid or by cable or Telex, fax, courier, charges prepaid or hand delivered and shall be forwarded to the respective Address set forth below unless another address is substituted by written notice:

FOR OWNER:

FOR ENGINEER

FOR CONTRACTOR:

WITH A COPY TO:

61.00 AMENDMENTS

61.01 This CONTRACT may be amended by a writing specifically made in this behalf which shall be mutually agreed upon and duly signed by the authorised representatives of the parties hereto.
62.00 WAIVER OF BREACH

62.01 Any failure by OWNER or ENGINEER, at any time or from time to time, to enforce or require the strict keeping and performance by CONTRACTOR of any of the terms or conditions of this CONTRACT shall not constitute a waiver by OWNER or ENGINEER of a breach of any such terms or conditions and shall not affect or impair such terms or conditions in any way, or the right of OWNER or ENGINEER at any time to avail itself of such remedies as it may have for any such breach or breaches of such terms and conditions.

63.00 ENTIRE CONTRACT

63.01 This CONTRACT and any annexures attached hereto or documents referred to herein shall constitute the entire CONTRACT and understanding between the parties hereto as to the subject matter hereof and shall supersede all prior agreements/CONTRACTS, negotiations and Letter of Intent, whether written or oral, pertaining to this Work and either party shall be bound by any conditions, definitions, warranties or representations with respect to the subject matter of this CONTRACT, otherwise than as expressly provided herein.

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FORM OF BANK GUARANTEE FOR ADVANCE PAYMENT

To
The KIOCL Limited,

Second Block, Koramangala, OR New Mangalore Port, OR
Bangalore - 560 034. Panambur, OR
Bangalore - 560 034. Chickmagalur Dist. 575 142.

In consideration of KIOCL Limited (hereinafter referred to as "Company") agreeing to pay
M/s…………………………………………………………………………………… (hereinafter referred to as, "Contractor") a sum of Rs ……………………..
(Rupees ………………………………… only) as and by way of advance in terms of Order
No…………………………………………………………….. (hereinafter referred to as "Contract") on production of
Bank Guarantee by the Contractor for Rs……….. (Rupees ….. only) we, ……………………….. (hereinafter referred to as "the Bank") do hereby covenant and agree with the Company as follows:

1. We hereby guarantee the payment to the Company the said advance of Rs…………………..
(Rupees…………………………………………………………………… only) and interest thereon at 15.5 percent per annum from the date of demand till payment against any loss or damage caused to or suffered or that may be caused to or suffered by the Company by reason of any breach by the said Contractor of any of the terms and conditions contained in the said Contract.

2. Notwithstanding anything contained hereunder, we ………………………………… hereby unconditionally and irrevocably undertake to pay to the Company to the extent of Rs……………...
(Rupees……………………………………………… only) plus interest thereon at 15.5 percent per annum from the date of demand till payment without any demur merely on a demand from the Company stating that the amount claimed is due by way of loss or damage caused to or suffered or would be caused to or suffered by the Company by reason of breach by the said Contractor of any of the terms and conditions contained in the said Contract. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs …………….. ( Rupees……………………………………………… only) and interest thereon as mentioned above from the date of demand till payment.

3. Our liability under this present Guarantee is absolute and unequivocal and we undertake to pay the Company the amount so demanded notwithstanding the Contractor raising any dispute and/or disputes or filing any suit or proceeding before any Court or Tribunal Authority. The payment so made by us under this Guarantee shall be a valid discharge of our liability for payment hereunder.

4. We…………………………………………..further agree that the Guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Contract and that it shall continue to be enforceable till all the dues of the Company under or by virtue of the said Contract have been fully paid and its claims satisfied or discharged and till the Company certifies that the terms and conditions of the said Contract have been fully and properly carried out by the said Contractor and accordingly discharges this Guarantee. Unless a demand or claim under this Guarantee is made on us in writing on or before ………………………… we shall be discharged from all liability under this Guarantee thereafter.

5. This Guarantee shall not be revocable by us except with the written consent of the Company and shall continue to be enforceable till……. Should it be necessary to extend this Guarantee beyond the said date, we undertake to extend the validity of this Guarantee for such further period as may be required by the Company, and such extension shall be given one month before the expiry of the Guarantee failing which the amount covered under this Guarantee shall become forthwith payable, notwithstanding that the Contract is continuing and / or the Company has or has not terminated the Contract or preferred any claim against the Contractor.

6. We, ………………………………………………… further agree with the Company that the Company shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Contract or to extend time of performance by the said Contractor from time to time or to postpone for any time or from time to time exercise of any of the powers exercisable by the Company against the said Contractor and to forbear or enforce any of the terms and conditions relating to the said Contract and we shall not be relieved from our liability by reason of any such variation or extension being granted to the said Contractor or for any indulgence by the Company to the said Contractor or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.
7. This Guarantee shall not in any way be affected due to change in our constitution or by your taking or varying or giving up any securities from the Contractor or any other person, firm or Company on its behalf or by the change in the constitution, the winding up, dissolution, insolvency or death as the case may be of the Contractor.

8. In order to give full effect to the Guarantee herein contained, you shall be entitled to act as if we were your principal debtors in respect of all your claims against the Contractor hereby guaranteed by us as aforesaid and we hereby expressly waive all our rights of suretyship and other rights, if any, which are in any way inconsistent with the above or any other provisions of this Guarantee.

9. We ........................................................................................................... also undertake not to revoke this Guarantee during its currency except with the previous consent of the Company in writing.

Dated the ........................................ day of............. . 20

For .................................................................................................................

(indicate the name of Bank)

IMPORTANT NOTE

The following points should be taken care of while submitting the Bank Guarantee:

1. The Bank Guarantee should be on non-judicial stamp paper having a value as per Rules in force.

2. The stamp paper should be purchased in the name of the Bank, who give the Guarantee and not in the name of the Contractor.

3. The Bank Guarantee should be strictly as per the proforma.

4. The Bank Guarantee should be from any of the Nationalised Banks or Scheduled Banks.

5. If any correction is made on the Guarantee, the same should be endorsed by the Bank with its official seal.
FORM OF BANK GUARANTEE FOR SECURITY DEPOSIT

In consideration of KIOCL Limited (hereinafter called Company) having agreed to exempt........(hereinafter called the said Supplier(s) / Contractor(s)) from demand under the terms and conditions of Purchase Order No.................... Dated.................... made between .................... And .................... for ............ (hereinafter referred to as ‘contract’) of security deposit for the due fulfillment by the said Supplier(s) / Contractor(s) of the terms and conditions contained in the said contract on production of a Bank Guarantee for Rs........ (Rupees.........................only).

1. We,......................... (hereinafter referred as “the Bank”) at the request of Supplier, (s) Contractor (s) do hereby guarantee the payment to the Company an amount not exceeding Rs............. (Rupees............only) and interest thereon at 15.5 percent per annum from the date of demand till payment against any loss or damage caused to or suffered or would be caused to or suffered by the Company by reason of any breach by the said Supplier(s)/ Contractor(s) of any of the terms and conditions contained in the said Contract.

2. We .............. do hereby unconditionally and irrevocably undertake to pay to the Company an amount to the extent of Rs. .................. (Rupees ............only) and interest thereon at 15.5 percent per annum from the date of demand till payment without any demur, merely on a demand from the Company stating that the amount claimed is due by way of loss or damage caused to or suffered or would be caused to or suffered by the Company by reason of breach by the said Supplier(s) / Contractor(s) of any of the terms and conditions contained in the said Contract or by reason of the Supplier(s)/ Contractor(s) failure to perform the said contract. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs.................. (Rupees.................................................................only) and interest thereon as mentioned above from the date of demand till payment.

3. Our liability under these presents is absolute and unequivocal and we undertake to pay to the Company the amount so demanded notwithstanding the Supplier(s)/Contractor(s) raising any dispute and / or disputes or filing any suit or proceeding before any Court or tribunal or other Authority. The payment so made by us under this Guarantee shall be a valid discharge of our liability for payment there under and the Contractor(s) Supplier(s) shall have no claim against us for making such payment.

4. We.........................further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the contract and that it shall continue to be enforceable till all the dues of the Company under or by virtue of the said contract have been fully paid and its claims satisfied or discharged or till the Company certifies that the terms and conditions of the said contract have been fully and properly carried out by the said Supplier(s) / Contractor(s) and accordingly discharges this Guarantee. Unless a demand or claim under this Guarantee is made on us in writing on or before..................., we shall be discharged from all liability under this Guarantee thereafter.

5. This Guarantee shall not be revocable by us except with the written consent of the Company and shall continue to be enforceable till.........................should it be necessary to extend Guarantee beyond the said date, we undertake to extend the validity of this Guarantee for such further period as may be required by the Company, and such extension shall be given one month before the expiry of this Guarantee filing which the amount covered under this Guarantee shall become forthwith payable, notwithstanding that the Contract is continuing and /or the Company has or has not terminated the Contract or preferred any claim against the Supplier (s) Contractor(s).

6. We......................... further agree with the Company that the Company shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the Contract or to extend time or performance by the said Supplier(s)/ Contractor(s) from time to time or to postpone for any time or from time to time in exercise of any of the powers exercisable by the Company against the said Supplier(s) Contractor(s) and to forbear or enforce any of the terms and conditions
relating to the Contract and we shall not be relieved from our liability by reason of any such variation or extension being granted to the said Supplier(s)/Contractor(s) or for any forbearance, act or omission on the part of the Company or any indulgence by the Company to the said Supplier(s)/Contractor(s) or by any such matter or thing whatsoever which under the law relating to sureties, but for this provision, have effect of so relieving us.

7. This Guarantee shall not in any way be affected due to change in our constitution or by your taking or varying or giving up any securities from the CONTRACTOR(S)/SUPPLIERS or any other person, firm or Company on its behalf or by the change in the constitution, winding up dissolution, insolvency or death as the case may be of the CONTRACTOR(S)/SUPPLIER(S).

8. In order to give full effect to the Guarantee herein contained you shall be entitled to act as if we were your principal debtors in respect of all your claims against the CONTRACTOR(S)/SUPPLIER(S) hereby Guaranteed by us as aforesaid and we hereby expressly waive all our rights of suretyship and other rights if any which are in any way inconsistent with the above or any other provisions of this Guarantee.

9. We............................. also undertake not to revoke this Guarantee during its currency except with previous consent of the Company in writing.

Dated the ....................... day of .......................... 20

For..........................................................

(Indicate the name of Bank)

IMPORTANT NOTE

The following Points should be taken care of while submitting the Bank Guarantee:-

1. The Bank Guarantee should be on non-judicial stamp paper having a value of Rs.100/-or as applicable in the State of Karnataka.

2. The stamp paper should be purchased in the name of the Bank, who give the guarantee and not in the name of the Supplier.

3. The Bank Guarantee should be strictly as per the proforma.

4. The Bank Guarantee should be from any of the Nationalised Bank, Scheduled Bank or any other bank Acceptable to owner.

5. If any correction is made on the guarantee the same should be endorsed by the Bank with its official seal.
FORM OF BANK GUARANTEE FOR EARNEST MONEY DEPOSIT

In consideration of KIOCL Limited (hereinafter called "Company") having agreed to exempt............... (hereinafter called the said "Bidder") from demand under the terms and conditions of the tender documents vide No dated of Earnest Money Deposit for the due fulfilment by the said Bidder of the terms of conditions contained in the tender document on production of Bank Guarantee of Rs ................................................ (Rupees ................................................ only).

1. We, ....................................................... (hereinafter referred to as "the Bank") at the request of Bidder do hereby guarantee the payment to the Company an amount not exceeding Rs........... (Rupees ................................................ only) and interest thereon at 15.5 percent per annum from the date of demand till payment against any loss or damage caused to or suffered, would be caused to or suffered by the Company by reason of any breach by the said Bidder of any of the terms and conditions contained in the said Tender Documents.

2. We, ..................................................... do hereby unconditionally and irrevocably undertake to pay to the Company an amount to the extent of Rs........... (Rupees ................................................ only) and interest thereon at 15.5 percent per annum from the date of demand till payment without any demur, merely on a demand from the Company stating that the amount claimed is due by way of loss or damage caused to or suffered or would be caused to or suffered by the Company by reason of breach by the said Bidder of any of the terms and conditions contained in the said Tender Documents. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs..................... (Rupees ................................................ only) and interest thereon as mentioned above from the date of demand till payment.

3. Our liability under this present Guarantee is absolute and unequivocal and we undertake to pay the Company the amount so demanded notwithstanding the Bidder raising any dispute and/or disputes or filing any suit or proceeding before any court or tribunal or other Authority. The payments so made by us under this Guarantee shall be a valid discharge of our liability for payment thereunder and the Bidder shall have no claim against us for making such payment.

4. We, ......................................................... further agree that the Guarantee herein contained shall remain in full force and effect during the period as required by the Company. Unless a demand or claim under this Guarantee is made on us in writing on or before................................., we shall be discharged from all liability under this Guarantee thereafter.

5. This Guarantee shall not be revocable by us except with the written consent of the Company and shall continue to be enforceable till ....................... Should it be necessary to extend this Guarantee beyond the said date, we undertake to extend the validity of this Guarantee for such further period as may be required by the Company and such extension shall be given one month before the expiry of this Guarantee, failing which the amount covered under this Guarantee shall become forthwith payable.

6. We, ....................................................... further agree with the Company that the Company shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the Tender Documents or to extend time of finalising the bid from time to time and to forbear or enforce any of the terms and conditions relating to the Tender Documents and we shall not be relieved from our liability by reason of any such variation or extension being granted to the said Bidder or for any forbearance, act or omission on the part of the Company or any indulgence by the Company to the said Bidder or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.
7. This Guarantee shall not in any way be affected due to change in our constitution or by your taking or varying or giving up any securities from the Bidder or any other person, firm or Company on its behalf or by the change in the constitution, winding up, dissolution, insolvency or death as the case may be of the Bidder.

8. In order to give full effect to the Guarantee herein contained, you shall be entitled to act as if we are your principal debtors in respect of all your claims against the Bidder hereby Guaranteed by us as aforesaid and we hereby expressly waive all our rights of suretyship and other rights, if any, which are in any way inconsistent with the above or any other provisions of this Guarantee.

9. We, .......................................................... also undertake not to revoke this Guarantee during its currency except with the previous consent of the Company in writing.

Dated the .............................. day of......................... 20
For .......................................................... ..........................

(indicate the name of Bank)

IMPORTANT NOTE

The following points should be taken care of while submitting the Bank Guarantee:
1. The Bank Guarantee should be on non-judicial stamp paper having a value as per Rules in force.
2. The stamp paper should be purchased in the name of the Bank, who give the Guarantee and not in the name of the Bidder.
3. The Bank Guarantee should be strictly as per the proforma.
4. The Bank Guarantee should be from any of the Nationalised Banks or Scheduled Banks.
5. If any correction is made on the Guarantee, the same should be endorsed by the bank with its official seal.

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