

**VISAKHAPATNAM STEEL PLANT
SPECIAL CONDITIONS OF CONTRACT
FOR
ELECTRICAL WORKS**

INDEX

01.0	GENERAL
02.0	COVERAGE OF CONTRACT / SCOPE OF WORK
03.0	TIME FOR COMPLETION/PERIOD OF CONTRACT
04.0	TEMPORARY ROADS
05.0	LIGHTING IN AND AROUND THE WORK SPOTS
06.0	CONSTRUCTION MACHINERY
07.0	WATER SUPPLY
08.0	ELECTRICITY
09.0	LAND
10.0	SAFETY AND GUARDING OF WORKS
11.0	TESTING AND COMMISSIONING FACILITIES
12.0	CONTRACTOR'S OBLIGATION & SUPERVISION
13.0	AUTHORISED AGENT
14.0	COOPERATION WITH OTHER CONTRACTORS AND EMPLOYERS OPERATION
15.0	SITE ORDER BOOK
16.0	MAINTENANCE OF WORKS
17.0	SPEED CONTROL OF CONTRACTORS VEHICLES
18.0	COMPLIANCE WITH STATUTORY RULES & REGULATIONS
19.0	RESTRICTION OF VISITORS
20.0	SECURITY REGULATIONS
21.0	LABOUR RETURNS
22.0	RECRUITMENT OF LABOUR
23.0	PROGRESS REPORTS
24.0	MATERIAL RECONCILIATION
25.0	EXECUTION OF WORKS TO THE SATISFACTION OF THE ENGINEER
26.0	WITHHOLDING OF PAYMENT FOR NON-SUBMISSION OF "AS BUILD DRAWINGS" ETC.
27.0	ISSUE OF MATERIALS BY VSP
28.0	SCHEDULE/BILL OF QUANTITIES
29.0	PRICES
30.0	TERMS OF PAYMENT
31.0	BILLING
32.0	NATURE OF CONTRACT
33.0	INSPECTION
34.0	MILESTONES
35.0	DEDUCTION OF INCOME TAX AT SOURCE
36.0	PROCEDURE FOR ISSUE OF C- FORMS

SPECIAL CONDITIONS OF CONTRACT FOR ELECTRICAL WORKS

1.0 General:

1.1 The Special conditions of the contract shall be read in conjunction with the Invitation to Tender, General Conditions of the contract, Specifications, preamble to bill of quantities, bill of quantities, drawings and/or other documents detailing the work.

1.2 In case of any conflict of meaning between the "Special conditions of contract" and "General conditions of contract" and other documents, the documents shall prevail as given below:

- 1) Special conditions shall prevail over General conditions
- 2) Specifications shall prevail over contract drawings.
- 3) The items in the Bill/Schedule of quantities shall prevail over the specifications and drawings for payment purposes only.
- 4) Between two issues of same document, the document revised or reissued as of the later date shall prevail.
- 5) All specifications, contract drawings and other documents shall be interpreted in conformity with the General conditions of contract as supplemented and/or modified by the Special conditions.

2.0 COVERAGE OF CONTRACT / SCOPE OF WORK:

2.1 The Scope of Work: The scope of work shall be as per drawings, specifications enclosed and instructions to be furnished by the Employer/Engineer.

2.2 Contract awarded for the work is a complete one for labour materials and workmanship including all enabling works and provisions and use of all construction equipments, tools *and* tackles, consumable etc. The Contractor's attention is invited to the *relevant* articles of the preamble Jo Bill of Quantities and specifications. The contractor has to make his own arrangements for all the materials required for the due performance of the work.

3.0 TIME FOR COMPLETION/PERIOD OF CONTRACT:

3.1 The completion / contract period for the entire work shall be _____ (.....) months from the date of issue of Letter of Intent or Fax Letter of Intent.

A detailed construction schedule is to be prepared and submitted by the contractor within an agreed time after award of the work for approval of the Engineer. This construction schedule will indicate completion of units divided in phases. Time is the essence of the contract. The contractor shall complete the work in phases as per the approved construction schedule as stated above. In the event of non-completion of work as indicated in the schedule, action as deemed fit by the Engineer shall be taken in terms of contract.

- 3.2 The work covered under the contract is to be executed in a well coordinated and in a sequential manner so *as* to give fronts for the work *to* other agencies *in* the area. With this objective, the contractor will have to execute the work as per the time schedule set by the Engineer and the Contractor shall make all necessary arrangements including planning for executing the work in all 3 shifts as per the requirement to keep up the time schedules and to maintain commissioning schedules for different shops/units of the contract work. In some cases, the work may have to be carried out intermittently. No extra payment shall be entertained on this account by the Employer.
- 3.3 The contractor shall draw up a detailed monthly and annual construction programme/schedule in consultation with the Engineer prior to *commencement of work*. The *contractor* shall follow the programme diligently as finally approved by the Engineer and shall be binding on the contractor.
- 4.0 TEMPORARY ROADS :
- The contractor shall make his own arrangements to construct suitable approach roads to the work site as required and maintain them at his cost.
- 5.0 LIGHTING IN AND AROUND THE WORK SPOTS :
- The contractor if necessary shall make his own arrangement in arranging the required Lighting in and around the work spots, for the purpose of construction activities including movement of persons & inspection by Engineers and his authorised representatives.
- 6.0 CONSTRUCTION MACHINERY :
- 6.1 The contractor shall make his own arrangements for all constructional plant, equipment, tools etc., for all the works including Testing and commissioning covered in the contract. He shall indicate in Appendix-(I) the type and number of different equipment in good working conditions, with their capacities etc. which he will use for the works to ensure the completion of the work in the specified time.
- 6.2 All constructional plant and equipment once brought by the contractor to the site are not to be removed from there without the written permission of the Engineer. Also, the contractor shall promptly arrange spare parts, consumables, fuel, lubricants etc. for the equipment on the site as and when necessary at his own cost.
- 6.3 If in the opinion of the Engineer, the tools, tackles, plant and equipment etc., brought to site or arranged by the contractor, are not sufficient or/are inadequate, the Engineer shall have the right *to* direct the contractor and the contractor shall comply with the directions, and arrange to bring such additional tools, tackles, plant and equipment, instruments etc., to the site and employ the same for the work at his own cost.
- 6.4 Subject to availability, the Employer may provide some of the heavy equipment on hire basis to the contractor as per terms and conditions given in Appendix-III. However, it shall be understood that the Employer is neither bound to provide with such equipment nor liable for any delays/losses for not providing or delay in providing such equipment.

- 6.5 The Employer hires out to the contractor the available equipment on the basis that the contractor shall be responsible for the safe custody of the equipment hired out to him during the period of hire and the contractor shall make good any loss *or* damages to the equipment caused due to negligence, inadequate watch and ward etc.
- 6.6 Hire charges for the equipment shall be levied on composite hourly basis for the period of actual hours on use including the marching within the zone at rates stated in the enclosed list giving the hire charges for the various equipment. For the equipment where hire charges are stipulated on shift/day basis, the recovery of hire charges shall be on shift/day basis only. Part of the shift/day shall be considered as full shift/day. Such chargeable period shall not include the period in hours for which the work was shut down by the Engineer for repairs/maintenance and/or for want of Operator and/or parking time beyond normal duty hours.

A joint record shall be maintained indicating the period for which equipment is requisitioned and actual use on the work, the levy of hire charges shall be based on such joint records. The rate of recovery will be at a composite per hour rate/day/shift rate.

7.0 WATER SUPPLY :

The contractor shall have to make arrangements at his own cost from the existing wells if any or by drilling boreholes at suitable locations, with the approval of the Engineer. The quality of such water shall be got approved from the Engineer for use for construction purpose.

8.0 ELECTRICITY:

At present there is no power supply at the site of work and the contractor shall make his own arrangements for the power required to progress on the work as per schedule. If at later time power can be made available, the same shall be at charges fixed by the Engineer on conditions stipulated by him.

- 8.1 The contractor shall ensure that the electrical equipment employed by him are such that the aggregate power factor does not fall below 0.85 at the Employer's terminal point and install power factor improving equipments wherever necessary to maintain the power factor not below 0.85 at his own cost.

9.0 LAND

- 9.1 Area for yards, offices etc.

The employer will at his discretion and for the duration of the contract make available land, free of charge, within and/or near the employer's works site for the contractor to put up the stores, site fabrication yard, office etc., as required for the execution of the contract, Any clearing and leveling of ground, services, roads etc. as required shall be done by the contractor at his own cost conforming to the various stipulations of the employer. The area required for the above purpose shall be indicated by the contractor in the Appendix-I herein attached for the conditions of the employer.

9.2 Accommodation for labour and supervisory staff:

The contractor shall make his own arrangements for the accommodation of his labour and supervisory personnel for which no land shall be provided by the employer.

9.3 On completion of works and/or on termination of contract, field office, construction stores, fabrication yard and any other temporary works shall be dismantled and removed from the site by the contractor and the site and works shall be left clear and clean of all obstruction. In the event of contractor's failure to do so, the employer reserves the right to clear the site in the manner as he may deem necessary and the cost and expenses for all such clearances incurred by the employer shall be recovered from the contractor's bills or from any money due to the contractor from the employer without prejudice to any other measures the employer is empowered to take under the contract, The employer also reserves the right to take over any or all such temporary structures put up by the contractor on completion of the works at the mutually agreed terms.

10.0 SAFETY AND GUARDING OF WORKS ;

10.1 The contractor shall abide by the safety regulations of the Employer, or as required by the Engineer, in respect of all labour engaged for the performance of the works and shall provide all the facilities in connection therewith. The contractor shall be responsible for following the provisions of all labour laws and rules made thereunder and other statutory requirements. The contractor shall ensure that necessary safety appliances are being used by his employees and workers working at site, particularly those engaged in erection work, without which the employees and workers shall not be permitted to be engaged on the work.

10.2 The contractor shall be responsible for the safety of his men and employees. The contractor shall be responsible for making all safety arrangements in the execution of work and shall employ trained workmen conversant with safety regulations. The contractor shall use only tested equipment and tools and shall periodically conduct tests according to standard procedures laid and such certificates shall be readily available for inspection at the site of work. He shall replace any tools, if so asked by the Engineer. The contractor shall be responsible for following all safety regulations and report all accidents to the prescribed statutory authorities and the Engineer. The Employer reserves the right to issue directions regarding safety and such directions shall be immediately implemented by the contractor. The contractor shall be responsible for obtaining work permit for execution of work in the vicinity of operational area at no extra cost.

10.3 The contractor shall promptly submit reports of accidents and state the measures taken by him to prevent their recurrence and also keep the employer indemnified of all claims arising out of such accidents.

10.4 The contractor shall at all times provide sufficient fencing, Notice Boards, lights, watchmen to protect and warn the public and guard the works and provide all facilities and observe all the rules mentioned in the General conditions of contract.

11.0 TESTING AND COMMISSIONING FACILITIES ;

At present there are no testing and commissioning facilities available with the Employer for testing and commissioning the installation. The contractor has to make his own arrangements for the same at his cost to the satisfaction of the engineer.

12.0 CONTRACTOR'S OBLIGATION & SUPERVISION :

12.1 Except where it is expressly provided that the cost will be borne by the employer, the various obligations of the contractor under the contract shall be at the cost of the contractor.

12.2 The contractor shall keep competent and qualified Engineers constantly on the work who will be responsible for carrying out the work to the satisfaction of the Engineer-in-charge. Any directions or instructions given to him/them in writing shall be held to have been given to the contractor.

13.0 AUTHORISED AGENT :

13.1 *The* contractor shall have a duly authorised agent at site from the commencement to the completion of the work. Such agent shall be authorised to act on behalf of the contractor, to accept notices under the contract and to agree to extras, omissions and varied items of works and rates for the same. Such agent shall maintain on his staff, qualified engineers and such other personnel as may be required for efficient execution of the works. Any notice under the contract shall be deemed to have been served on the contractor if served upon such agent or sent by registered letter to his address at site. Such agent shall not be changed (unless required by the Engineer) and shall not leave the site during the duration of the contract unless the consent of the engineer shall have been previously obtained.

13.2 The contractor shall send a duly authorised competent representative to meet the Employer at his office at Visakhapatnam or at any other place within the country in connection with his works whenever called upon to do so by the Employer or Engineer at his own cost and any instructions, directions or explanations given by the Employer or by the Engineer to such representatives shall be deemed to have been given to the contractor.

14.0 COOPERATION WITH OTHER CONTRACTORS AND EMPLOYER'S OPERATION DEPARTMENT:

The contractor shall plan and execute his work in phased manner as directed by the Engineer from time to time and shall fully cooperate with other agencies working at site simultaneously as well as with the employer's operation department so as not to obstruct or retard the work simultaneously being executed by other agencies and the plant operation in any way. The decision of the Engineer on any point of dispute between the various contractors shall be final and binding on all the parties concerned.

15.0 SITE ORDER BOOK :

15.1 A site order book shall be kept at the site of work under the custody of the contractor. Any special order and instructions to be issued to the contractor will be recorded in this book by the Engineer or his representative. Each page of the book will be numbered and initialled by the Engineer or his representative. The book shall always be kept at the site of work. The contractor shall sign all orders in token of his having seen and noted the same. The order book will be property of the Employer.

16.0 MAINTENANCE OF WORK :

16.1 On completion, units will be taken over by the Employer as per the commissioning sequence by listing out the defects to be attended/rectified as brought out by the inspection committee within a time limit agreed by the engineer. The taking over will be certified by the Engineer. The maintenance period will be counted from the date of such taking over. The maintenance period will be a period of twelve/six/three months. The installations can be taken over unit-wise/area wise at the discretion of the Engineer. In such cases, the maintenance period shall be 12 (Twelve y6(six)/3 (three) months from the date of such taking over for that unit/area.

16.2 If the Engineer shall require the contractor to carry out any rectifications under the terms of the contract after the works are completed, the contractor shall ensure to attend to same at his own cost and within the time stipulated by the Engineer.

16.3 The Contractor shall indemnify the Employer against any loss or liability that may be incurred by him on account of any failure on the part of the Contractor for timely rectification of the defects pointed out within the maintenance period.

17.0 SPEED CONTROL OF CONTRACTOR'S VEHICLES:

17.1 It will be entirely the responsibility of the Contractor to ensure that his vehicles are not driven with so high speed, or in so reckless or rash manners as to cause an accident or prove to be a potential threat to the safety of the traffic. Where speed limits have been fixed, they will be strictly adhered to by the Contractor's drivers who will also adhere to slow and safe driving inside the plant and township area.

17.2 Similarly, if a driver or any staff of the Contractor is caught in theft case or in an unauthorised movement of materials or in any activity which is punishable under law or not authorised by the plant, the Contractor will bear the full responsibility for the loss and the consequences which may result to the plant due to such illegal/unauthorised acts. In case of accident or injury or damage caused by the Contractor's vehicle or staff to any person or property the financial responsibility to compensate will be borne solely by the Contractor, and this amount may at the decision of the competent authority of Visakhapatnam Steel Plant be recovered from the bills or deposit of the Contractor.

17.3 Suitable safety precautions must be taken by the Contractor for his vehicular traffic at all level crossings/road inside the plant township area. Contractor would be using these roads on their own risk and responsibility without any liability on the part of the Employer.

18.0 COMPLIANCE WITH STATUTORY RULES & REGULATIONS :

18.1 The Contractor shall ensure the implementation of all the relevant provisions of the various labour laws and shall be deemed to be the principal employer for the purpose. Accordingly, they will get themselves registered with the concerned statutory authority as provided under the Act and shall be directly responsible to the authorities there under for compliance with the provisions thereof.

18.2 No child who has not completed 14 years shall be employed or permitted to work in any works of Visakhapatnam Steel Plant and child who has completed 14th year or a young person below the age of 18 years shall not be employed unless a certificate of fitness has been obtained from the authorised Medical Practitioner. For such persons the

working hours shall not exceed four and half hours and the period of work shall not be between 10.00 PM to 6.00 AM.

18.3 The tenderer should be registered under APGST Act and should produce documentary evidence to this effect before the work is awarded.

18.4 Factories Act: The Contractor shall follow provisions of Indian Factories Act and all rules made thereunder from time to time as applicable, and shall indemnify the Engineer against all claims of compensations under the provisions of the Act in respect of any workmen, employed by the Contractor in carrying out the works and against all costs and expenses or penalties that may be incurred by the Employer in connection therewith.

18.5 Employees Provident Fund Act:

The contractor shall ensure strict compliance of provisions of the employees provident fund Act 1952 and the scheme framed thereunder in so far as they are applicable to their establishments and agencies engaged by them. The contractor is also required to indemnify the Employer against any loss or claims or penalties or damages whatsoever resulting out of noncompliance on the part of the contractor with the provisions of the aforesaid Act and the Schemes framed thereunder.

18-6 Electrical License For Installation Work :

The installation work shall be carried out only by an electrical contractor holding a valid license issued by the Government of Andhra Pradesh for carrying out installation work of the voltage class involved, under the direct supervision of a person holding a certificate of competency for the same voltage classes, issued or recognised by the State Government. The tenderer shall furnish with his tender the particulars of the license held by him for executing the electrical works.

19.0 RESTRICTION OF VISITORS :

The contractor shall not allow any visitors on the works except with the approval of the Employer.

20.0 SECURITY REGULATIONS :

20.1 The contractor shall abide by all the security regulations of the Employer in force and promulgated from time to time and other statutory requirements.

20.2 As and when introduced by the Employer, the contractor shall arrange to obtain from the Employer the required gate pass for entry to the Employer's Steel Plant site and other protected areas for each one of his workmen and staff as per the Employer's prescribed procedure and format. Each gate pass shall contain the photograph of the person concerned if required. In the event of loss and/or damage to the gate passes the contractor shall pay to the Employer the prescribed penalty before a new gate pass can be issued. The contract shall be governed by the following provisions for enforcing safe custody and proper use of gate passes.

20.3 All representatives and workers of the contractor shall possess the admit pass issued from the security department on the recommendation of the concerned officer/ Engineer. Security department and the concerned officer/Engineer shall have the right to refuse the admit passes to any worker or representatives of the contractor without assigning any reason.

- 20.4 Permission to enter the Visakhapatnam Steel Plant site to any representative or the worker of the contractor may be suspended or withdrawn at any time by the Security department or the concerned officer/engineer without assigning any reason.
- 20.5 The contractor shall ensure that any gate pass issued to their workers or representatives by the Employer is not misused by unauthorized persons for entry into plant area or in specified areas inside the plant.
- 20.6 It shall amount to breach of rules and regulations regarding entry into the prohibited area by the contractor in case admit passes issued on their demand are found to be misused by any unauthorised persons. The contractor and their defaulting employees shall be liable for legal action against them for breach of rules regarding entry into the plant area.
- 20.7 Final payment would be made to the contractor only after all the passes issued by the security department are surrendered for cancellation for which no demand certificate should be obtained. In case of passes lost/not surrendered for any reason an amount of Rs. 25/- (Rupees twenty five only) for photo passes and Rs. 15/- (Rupees fifteen only) for wage card pass will have to be paid as penalty before final payments are cleared by Employer.
- 20.8 Entry into construction areas fenced out and segregated from operating units shall be regulated by a separate procedure to be laid by the Employer from time to time.
- The contractor shall register all equipment and all other materials, tools etc., that may be taken inside the "protected area" in order to facilitate the issue of exit gate permits for materials and equipment to be taken out after the completion of work.
- 21.0 LABOUR RETURNS:
- Periodical statements of labour employed by the Contractor shall be submitted in the pro-forma prescribed by the Engineer. The statement shall indicate the details of Displaced Persons, S.C, S.T. engaged. Displaced Persons shall be given preference in employment in the work.
- 22.0 RECRUITMENT OF LABOUR :
- 22.1 While recruiting the labour and supervisory staff for his works, the contractor has to notify the vacancies to the concerned Employment Exchange and recruit the staff in accordance with the rules and regulations in force. The Contractor shall also engage Displaced Persons as far as possible.
- 23.0 PROGRESS REPORTS :
- The contractor shall submit to the Engineer in the form required by him and at the appointed time, information regarding the progress of work, being carried out by him. The contractor shall also give the necessary statistical information as may be required by the Employer from time to time in such form at such time as may be decided upon by the Employer. The contractor will also furnish reports and returns as provided by law and required by the Employer.
- 24.0 MATERIAL RECONCILIATION :
- The Contractor is required to submit material reconciliation statement in respect of the materials issued by VSP to the contractor and erected by the contractor as well as in respect of the materials supplied and or erected by the contractor.

25.0 EXECUTION OF WORKS TO THE SATISFACTION OF THE ENGINEER :

The contractor shall execute the work to the satisfaction of the Engineer strictly in accordance with the time schedule. Any addition, alteration or modifications in the time schedule or specifications given in writing by the Engineer will be binding on the contractor. If at any time the Employer finds that any particular work or part of the work/works is/are not progressing properly according to the approved detailed programme, the Employer shall have the right to take over the particular work/works for execution by himself or through any other agency at the risk and cost of the contractor provided such delays are due to the lapses on the part of the contractor.

26.0 WITHHOLDING OF PAYMENT FOR NON SUBMISSION OF "AS BUILT DRAWINGS" ETC :

The "As built" drawings, final drawings and material reconciliation statements are required to be submitted by the contractor before the issue of preliminary acceptance certificate. Failing this, the Engineer at his discretion can withhold the amount to the extent of 25% of the amount payable at the PAT stage. The amount thus withheld will be released only after the "As built" drawings, Final drawings and material reconciliation statements are submitted by the contractor correctly and certified by the Engineer.

27.0 ISSUE OF MATERIALS BY VSP :

27.1 Issue of Cement:

Cement will be issued free of cost at VSP stores as per VSP norms for the works. Excess cement consumed shall be recovered at the rate of Rs per MT.

Empty cement bags need not be returned by the contractor. The tendered rates shall take into account the realisable values.

27.2 Steel will not be issued for the works.

27.3 Issue of Ceiling Fans :

27.3.1 The required number of ceiling fans for the entire work shall be supplied free of cost by the Employer at its store. The contractor shall take delivery of the fans and transport the same to the site for installation. The transportation will include for all handling of materials.

27.3.2 The Employer at his discretion may handover equipment to the contractor either from his own stores/office.

27.3.3 The contractor shall carefully inspect all the fans to completeness and concealed damage and report any shortage or damages to the Engineer for examination and take his advice on any remedial measures to be taken by the contractor.

27.3.4 The contractor shall provide proper handling equipment.

27.3.5 The contractor shall provide adequate storage sheds for the fans. All auxiliary and loose parts shall be systematically classified for ready identification and location when needed. As far as possible materials shall be stored in the order required for installation.

27.3.6 The contractor shall maintain at all times an up to date card index of the receipts and issue of materials and equipments and be accountable for it till handing over of the whole installation and left over materials to the Employer after completion of the works.

- 27.3.7 Suitable insurance should be taken by the contractor to cover the equipment against theft, fire, pilferage, damage etc.
- 27.3.8 The Contractor shall indemnify VSP for the value of materials issued free of cost to him against theft, fire, pilferage, damage etc.
- 27.3.9 Installation accessories necessary for installation of the ceiling fans but not supplied by VSP shall be in the scope of supply by the Contractor. The cost of such installation accessories shall be included in the cost of installation of the ceiling fans.
- 27.3.10 Further the installation price of ceiling fans shall be inclusive of all necessary transportation, handling, custody etc. of the fans in addition to those mentioned in the preamble to the bill of quantities.
- 27.4 STORAGE AND HANDLING OF EQUIPMENT/MATERIALS ISSUED BY VSP :
- 27.4.1 The Contractor shall take delivery of all equipments tools and drawings etc. from Employer's site stores or office or Visakhapatnam Steel Plant Railway siding and transport the same to the site for installation. The transportation will include for all handling of materials.
- 27.4.2 The Employer at his discretion may handover equipment to the contractor either from his own stores/office or directly from the carrier.
- 27.4.3 The Contractor shall carefully inspect all materials and equipments to completeness and concealed damages and report any shortage or damages to the Engineer for examination and advise on any remedial measures to be taken by the contractor.
- 27.4.4 The contractor shall provide proper handling equipment.
- The contractor shall provide adequate storage sheds which are wind and water tight for the storage of equipment. Cables shall be protected during storage from mechanical damage and free absorption of moisture at unprotected ends. All auxiliary and loose parts shall be systematically classified for ready identification and location when needed. As far as possible materials shall be stored in the order required for installation
- 27.4.6 The contractor shall maintain at all times an up to date card index of the receipts and issue of materials and equipments and be accountable for it till handing over of the whole installation and left over materials to the employer after completion of the works.
- 24.4.6 The prices for installation of various items issued by VSP shall be inclusive of necessary transportation, handling, storage and safe custody.
- 27.4.6 The contractor has to return the unused materials or excess materials to VSP stores.
- 27.4.7 The Contractor has to indemnify VSP for the value of material issued free of cost to him against theft, fire pilferage, damage etc.
- 27.4.8 The materials not returned or unaccounted shall be recovered at 150% of market rates prevailing on the date of material accounting, submission of final accounting, reconciliation statement as certified by the Engineer.

27.5 MATERIALS FOR ENABLING WORKS :

Subject to its availability, employer may issue cement and steel materials for the enabling works of the contractor. Such issue will be restricted to the bare minimum. The contractor has to deposit cash/demand draft towards the cost of these materials at the following rates before drawing these materials from the employer. Engineer's decision regarding the issue of materials for enabling works is final.

- i) Cement :
- ii) Reinforcement steel :
- iii) Structural Steel :

28.0 SCHEDULE / BILL OF QUANTITIES :

The contractor shall execute the work (supply & erection) as per the instructions of the Engineer /Working drawings issued to the contractor. The probable quantities of the several items of work are furnished in the Bill of Quantities and it must be understood that the contract is not a lumpsum contract, that neither the probable quantities nor the value of the individual items, nor the aggregate value of the entire work shall be binding on the employer and that the employer does not in any way assure the contractor or guarantee that the work should correspond thereto. The Employer reserves the right to omit, vary or add to the items of work

"The contractor shall arrange to collect the drawings from the Zone/D&E Department of VSP. The item wise quantities shall be worked out by the contractor as per working drawings issued and shall be submitted within an agreed time to VSP for approval. The quantities thus approved shall be binding. The unit rates quoted shall be applicable up to +30% (plus thirty percent) of the *item-wise quantities thus worked out*. The rates beyond these quantities shall be mutually agreed to between the contractor & Employer and for this the contractor shall submit all necessary documents like vouchers, delivery challans etc. as may be required by the Engineer. Any surplus quantities left after installation shall be taken back by the contractor at the same rates at which the materials are supplied.

29.0 PRICES:

29.1 The prices shall be all inclusive.

29.2 TAXES & DUTIES:

The rates quoted shall be inclusive of all taxes and duties. However, Works Contracts tax shall not be reimbursable,

29.3 The Prices shall be firm and all inclusive except for the variations as per the price variation clauses, if specifically provided in VSP's tender document as "Annexure to Special conditions of contract".

Whenever a lumpsum / lot price for an item is stipulated in the award, the break up of the units and quantities of subassemblies/accessories/Auxiliaries/other items of such lumpsum/ lot item shall be considered only as indicative and the Contractor shall perform all works as envisaged in this agreement for that item including the specifications and contract drawings and the Contractor shall be paid only the amount of such lumpsum/lot price in consideration thereof. Any variation in quantities of sub-assemblies etc., referred above shall not alter the total value of the lumpsum/lot item unless otherwise agreed.

30.0 TERMS OF PAYMENT: (Please refer Clause No of detailed order at Pg No:....)

A) SUPPLY:

- i) 85% of Supply price shall be released after the materials are received by VSP after inspection and acceptance. Indemnity Bond/Bailment Bond in VSP's approved pro-forma is required to be submitted
- ii) Further 10% of Supply price shall be released -i Preliminary acceptance.
- iii) Further 5% of Supply price shall be released on Final acceptance.

B) INSTALLATION:

- i) 85% of Installation price shall be released after installation of individual items.
- ii) Further 5% of Installation price shall be released on preliminary acceptance.
- iii) Further 10% of installation price shall be released after final acceptance.

All the above payments are subject to usual deductions as per the General conditions of contract. Contractor should take necessary insurance for the materials received at site against which payments are made. Such insurance policies shall be tripartite, VSP being the beneficiary. All other insurances as per General conditions of contract also shall be taken. The cost of insurance shall be borne by the contractor. The responsibility for insurance etc. shall remain with the contractor till the installation is taken over by VSP.

C) SPARES :

100% payment shall be released after inspection & acceptance. Spares shall be suitable for the equipment supplied in the main work and shall be supplied before completion of the main work.

31.0 BILLING :

- 31.1 The Employer has introduced computerised bill payment system. If required by the Employer, the contractor has to submit the computerised bills in the prescribed format for this purpose at contractor's own cost. The contractor shall also arrange for Data Entry to meet the requirement of Employer's computer system at Contractor's cost. The contractor shall extend all necessary co-operation to the Employer for the successful implementation of computerised bill payment.

32.0 Nature of Contract:

32.1 The contract shall be on divisible basis. The property of the materials shall pass on to VSP when the materials are received by VSP after inspection and acceptance.

32.2 The contractor will remain responsible for the quality and workmanship of the materials and the materials shall suit the purpose for which they are intended. The contractor shall continue to remain responsible for the safe custody of the materials supplied till the same are installed and handed over to VSR The contractor shall keep the employer indemnified in full against any loss or damage to the materials.

32.3 a) 'C' Form will be issued for the materials brought to site as per the working drawings. The tenderer shall furnish, along with offer, a list of items for which 'C' form is required.

b) 'C' Form will not be issued.

33.0 INSPECTION :

33.1 Inspection of materials may be carried out either at manufacturer's works or before despatch or after the arrival of materials at site. The decision of VSP regarding place of inspection is final and binding. The inspection may be carried out by VSP/or their authorised representative/ or their principal consultants. The Contractor has to co-ordinate all their activities regarding approval of drawings, inspection, despatch of materials, erection, testing and commissioning with the Consultants under intimation to and after clearance from VSP.

33.2 Inspection procedure shall be finalised with the successful tenderer and the agency has to furnish necessary details to the consultants/D&E of VSP for finalisation of the procedure immediately after award of work.

34.0 MILESTONES :

34.1 Various Milestones as indicated in the Annexure are required to be achieved during execution of work. Non-achievement of Milestone within the specified time shall attract penalties as indicated against each activity of works. The penalties shall be non-refundable and not in any way connected with liquidated damages which shall be imposed as per terms of contract. These penalties shall also be an "Excepted Matter as defined under Clause-16.0 of General conditions of contract Milestone(s). The contractor shall not have any claim on account of such changes/ postponement of Milestones.

34.4 Contractor to note that Three (3) successive failures of fulfilling Milestones may entail cancellation of contract and getting the work done at his Risk and Cost. This is also an Excepted matter as per Clause No. 16.0 of General conditions of contract.

35.0 DEDUCTION OF INCOME TAX AT SOURCE :

Recovery at source towards income tax calculated at the rate prescribed from time to time under the Income Tax Act 1961 and other relevant sections of Income Tax Act shall be made from the bills of the contractor and the amount so recovered shall be deposited with the Income Tax Department. Necessary Certificate to this effect will be issued to the contractor in the prescribed pro-forma.

36.0 PROCEDURE FOR ISSUE OF 'C FORMS :

36.1 In respect of the materials for which C-forms are to be issued by VSP, the contracting agency is required to follow the following procedure :

36.1.1 For supply of items manufactured or traded by the contracting agency :

a) The consignee shall always be Rashtriya Ispat Nigam Limited, Visakhapatnam Steel Plant and the Despatch Advice/Railway Receipts/Lorry Receipts (DA/RFVLR) shall be in favour of RINL-VSP and invoices raised for supplies shall contain the reference of DA/RR/LR. The document shall be despatched to the Engineer-in-charge mentioning the designation and the zone concerned.

b) The contracting agency shall hand over LR/RR to the Engineer and get the LR/RR endorsed in his favour by the Engineer-in-charge for collection of the material from the carrier as RINL's agent.

c) The contracting agency is required to maintain a register of documents as per the formats given in the Annexure-I regarding the details of DA/LR/RR as per the format given in Annexure-I. Copies of this register of documents shall be furnished to the Engineer-in-charge for his certification.

The contracting agency, after collection of the material from the carrier shall confirm the same in a report as per the format given in Annexure-II. The contracting agency shall also execute a bailment agreement as per the pro-forma given in Annexure-III

The bailment agreement should be for each consignment and not for the total supply value.

e) While raising the bills for supply of material complete details of the invoices, DA/LR/ RR, bailment agreement in original, copies of inspection reports and other documents as required under contract are to be forwarded duly countersigned by the Engineer.

36.1.2 For supplies of items bought directly by the contracting agency from their suppliers :

a) In these cases, the consignee shall be the contracting agency themselves and all documents like DA/LR/RR shall be in his name.

b) The contracting agency is to endorse the documents in RINL/VSP'S favour before the goods/materials are taken delivery from the carrier.

c) Subsequent to the endorsement as above, the procedure as regards documentation/ endorsement, billing etc. is to be followed as explained at 36.1.1 (b) to (e).

36.2 In respect of the materials for which no 'C-form' need be issued by VSR the procedure as at 36.1.2 shall be followed.

37.0 Any sum of money due and payable to the contractor under this contract may be appropriated and/or withheld by the Employer and set off against any claim of the Engineer for payment of a sum of money arising out of or under any other contract or transaction with the contractor by the employer or by the Government.

38.0 The contractor has to comply with all statutory requirements in respect of labour employed during the period of the contract. The contractor has to obtain licence from Dy. Commissioner of Labour, Govt. of A.R, Visakhapatnam and should maintain the documents/registers prescribed under the contract labour (R&A) Act, 1970 and follow the Rules made there under and as amended from time to time.

39.0 Wages paid to the workmen by the contractor should not be less than the rates notified by Commissioner of Labour, Andhra Pradesh, Hyderabad published in the Andhra Pradesh Gazette from time to time with regard to the minimum wages applicable to the respective category of workmen. Wages to the workmen should be paid on or before the 7th of the subsequent month. If 7th falls on a holiday or weekly off day, the payment should be made one day prior to that. Payment of PF for the month both the employer's (in this case Contractor) and employee's (in this case workmen employed by the Contractor) contribution should be deposited in the bank in the permanent PF Code numbers and challan obtained before the 15th of the subsequent month and forwarded to the "Engineer".

In case of failure of the Contractor to comply with any of the above, the following action will be taken by VSP.

	LAPSE	ACTION BY VSP
1.	Payment of wages at rates less than those notified under the minimum wages notification	Recovery of the differential amount between actual wages to be paid under the minimum wages notification of the Government and the actual wages paid plus 5% (five percent) of the minimum wages required to be paid as per the notification.
2.	Non payment of wages by due date	Actual wages due plus 2% (two percent) of the wages for each day from due date.
3.	Non payment of PF by due date.	Recovery of the PF amount (both the employees workmen employed by the Contractor) and employer's (Contractors) contribution plus 10% (ten percent) of the amount due. However, if the contractor remits the PF contributions subsequent to the due date and produces copies of challans and the Engineer certified the fact along with the bill for the corresponding period. 10% (ten percent) of the delayed PF amount will be recovered.

ESCALATION

The following clause relating to variation in wages. No other claim on account of any other variation either statutory or otherwise shall be applicable

PRICE VARIATION DUE TO CHANGE IN LABOUR WAGES FOR INSTALLATION VALUE ONLY:

Price variation due to change in Labour Wages shall be applicable as per formula given below :

$$V = 0.75 \times W \times (X - X_0) / X_0$$

Where;

V = Escalation or De-escalation payable of deductible.

W = Gross value of installation done on the basis of Contract Rates for the period for which variation is applicable.

X = Average of revised minimum rates of wages of the skilled, semiskilled and un-skilled workers applicable for the area of site of work as per minimum rates of wages as notified by Commissioner of Labour, Andhra Pradesh, Hyderabad, published in Andhra Pradesh Gazette for the period under consideration.

X₀ = Average of minimum rates of wages of the skilled, semi-skilled and un-skilled workers on the base date (i.e., date of opening of price bid) applicable for the area of site of work as per minimum rates of wages as notified by Commissioner of Labour, Andhra Pradesh, Hyderabad, published in Andhra Pradesh Gazette.

CLARIFICATION :

In case of revision of wages with effect from any date in a month say November 2000, the work done with effect from the first day of subsequent month (i.e.. 1 st December 2000) only will qualify for price variation as per the above formula.