

SPECIAL CONDITIONS OF CONTRACT (SCC)

1. Immediately on receipt of work order, the successful tenderer shall obtain and submit the following documents to the Engineer with a copy to ZPE/Manager (Pers)/CLC before start of work.
 - a(i) **ESI registration certificate** with the contractor's Code no. covering all the workmen under ESI Scheme, which shall be effective from the date of start of contract and cover for the entire period of contract including extended period/defect liability period, if any.
 - a(ii) **Insurance policy for payment of exgratia amount of Rs.5,00,000/-** (Rupees Five lakhs only) per head in case of fatal accidents while on duty, to the contract labour engaged by him in addition to the coverage under ESI Scheme / Workmen Compensation Insurance Policy whichever is applicable. As and when a fatal accident takes place while on duty along with the benefits under the ESI Scheme / Workmen Compensation, whichever is applicable, the contractor is required to pay the ex-gratia amount within 30 (Thirty) days from the date of accident to the legal heir of the deceased. **In case of any delay in paying the ex-gratia amount as above, the Employer has the right to pay such amount directly to the legal heir of the deceased and recover the same from the contractor's running / future bills.** This insurance policy is to be taken by the contractor over and above the Third Party Insurance.
 - a(iii) **Copy of the policy for third party insurance**
 - b) **Labour License obtained from Assistant Labour Commissioner (Central), Visakhapatnam.**
 - c) **PF Registration Certificate issued by PF Authorities**
 - d) **Safety clearance** from Safety Engineering Department of VSP.
2. The contractor shall submit wage records, work commencement/completion certificate etc. and obtain necessary clearance from Contract Labour Cell of VSP for bills clearance.
3. The contractor shall ensure strict compliance with provisions of the Employee's Provident Fund Act, 1952 and the scheme framed there under in so far as they are applicable to their establishment and agencies engaged by them. The contractor is also required to indemnify the employer against any loss or claim or penalties or damages whatsoever resulting out of non-compliance on the part of the contractor with the provisions of aforesaid act and the schemes framed there under. A copy of the provident fund membership certificate/PF CODE number shall be submitted by the contractor.
4. The contractor shall follow the provisions of Indian Factories Act and all rules made there under from time to time as applicable and shall indemnify the employer against all claims of compensations under the provisions of the act in respect of workmen employed by the contractor in carrying out the work against all costs, expenses and penalties that may be incurred by the employer in connection therewith.
5.
 - a) Total amount quoted shall be inclusive of all taxes, levies, duties, royalties, overheads and the like but excluding service tax prevailing as on the date of submission of bids.
 - b) During the operation of the contract if any new taxes/duties/levies etc are imposed or rates undergo changes, as notified by the Government and become applicable to the subject works, the

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same shall be reimbursed by VSP on production of documentary evidence in respect of the payment of the same. Similarly benefits accruing to agency on account of withdrawal/reduction in any existing taxes and duties shall be passed on to VSP.

- c) The prices are exclusive of Service Tax. RINL-VSP will pay Service Tax as applicable on submission of Invoices in accordance with Rule 4A (1) of Service Tax Rules 1994.

The contractor will be paid Service Tax by RINL-VSP along with monthly service charge bills for further deposit with Central Excise Authorities. The contractor will, in turn, submit the documentary evidence in support of payment of Service Tax of each month along with subsequent month RA Bills.

6. **ADVANCE:** No advance of any sort will be given by VSP.
7. **MEASUREMENTS:** The contractor shall take measurements jointly with the Engineer or his representative and keep joint records for the same. Bills shall be prepared and submitted by the contractor basing on agreed measurements.
8. **INITIAL SECURITY DEPOSIT (ISD):** Initial Security Deposit for the work shall be @ 2% of contract value excluding cost of diesel, Service Tax and SMA/ASMA. Earnest Money Deposited by the successful tenderer shall be adjusted against ISD, and the difference between ISD and EMD shall be deposited in the manner mentioned in the work order/letter of intent.
- 9.. **RETENTION MONEY:** Retention Money @ 5% (defect liability period is NIL) will be deducted from each bill until this amount together with initial security deposit reach the limit of retention which is 5% for the value of the work. The retention money shall be released after the satisfactory completion of the contract period.
10. **Security Deposit :** *The Public Sector Enterprises or State/Central Government Undertakings/ MSE units registered with NSIC will not be required to submit Security Deposit, but however they shall submit "Performance Guarantee Bond" in lieu of Security Deposit in the prescribed proforma equivalent to the value of Security Deposit covering the period of contract + defect liability period + 6 months (Claim period).*
11. Recovery of income tax at source will be made from contractor's bill and deposited with Income Tax Department as per rules. Recovery of sales tax applicable shall be made from the contractor's bills.
- 12 . SAFETY:**
- a) The contractor shall take adequate safety precaution to prevent accidents at site. The contractor shall also ensure that his employees observe the statutory safety rules and regulations and also those laid down by the employer from time to time and promptly submit report of accident 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.
- b) Contravention of any safety regulation of VSP in vogue from time to time will result into work stoppage, levying penalties and ultimately in contract termination.

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Category	Safety violations	Fine
I	Wrong parking of vehicle	First offence: Rs.100/- Second or subsequent offences: Rs.300/-
II.	<u>MINOR VIOLATIONS:</u> 1. Not having proper gate pass/other area passes 2. Overloading of vehicles 3. No number plate on vehicle 4. No indicator light or brake light on vehicles 5. Moving vehicles in unauthorized restricted routes 6. Talking with cellphone while driving	Rs.2,500/- for 1 st violation, 2 nd and subsequent violations Rs.10,000/-. 3 rd time repeat violation Rs.20,000/-
III.	<u>MAJOR VIOLATIONS:</u> 1. Driving vehicles without valid driving license. 2. Driving by a drunken person.	Rs.7,500/- for 1 st violation, 2 nd and subsequent violations Rs.15,000/-.
IV.	1. Serious injuries and permanent disabilities. 2. Fatal accident cases	Rs.1,00,000/- or 2.5% of contract value whichever is less. Rs.2,00,000/- or 10% of contract value whichever is less.

- (1) The above penalties related to the accidents mentioned at Category (V) will be imposed on agency in case the reasons to the accidents are attributable to the agency.
- (2) Independent of the above, the contractor shall be debarred or deregistered from taking up further contractual work in VSP in case any repeated fatal accident after 3rd incident for the reasons attributable to contractor.

Note: The penalties mentioned above are in addition to those which are applicable as per the Statutory Acts & Rules. In case of any imposed penalty by any statutory authority, the same shall be over and above the contractual clauses).

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- (3) Without prejudice to the right conferred for stoppage of work for violation of safety rules, the contractor shall be liable for penalty at the rates indicated above depending upon the category of violation.
- (4) Operating authority will assess the penalty amount having regard to all the circumstances in particular in nature and gravity of the violation on the advice of Head of the Safety Engineering Department and will issue a show cause notice specifying therein the proposed penalty. Considering the cause shown by the contractor, if any, the operating authority shall pass final orders which shall then be binding on the contractor. The penalty amount shall be recoverable from any bill and / or EMD / Security Deposit of the contractor without any further reference to him
13. **DEFAULT BY TENDERERS:**The successful tenderer may be debarred at the discretion of the company, from issue of further tender documents, work orders etc., for a specified period to be decided by the employer in case of :
“Undue delay in starting and execution of work awarded, poor performance, backing out from the tender, non accepting work order/LOI during the validity of tender or non observance of safety rules and regulations, misappropriation of company’s materials/property, non payment of due wages to labour or such similar defaults”.
14. Successful tenderer should be in a position to produce the Original Certificate in support of the attested copies of relevant documents enclosed along with pre-qualification documents or afterwards, after opening of the Price Bids.
15. Failure to produce the original certificates at this stage in support of the attested copies of PF Registration/ITCC/Electrical License/Experience/Qualification any other documents etc., submitted earlier would result in disqualification and forfeiture of EMD and also liable for debarring from participation in VSP tenders.
16. If it comes to the notice of VSP at any stage right from request for registration/tender document that any of the certificates/documents submitted by applicant for registration or by bidders are found to be false/fake/doctored, the party will be debarred from participation in all VSP tenders for a period of 05 (FIVE) YEARS including termination of Contract, if awarded. EMD / Security Deposit etc., if any, will be forfeited. The Contracting Agency in such cases shall make good to VSP any loss or damage resulting from such termination. Contracts in operation any where in VSP will also be terminated with attendant fall outs like forfeiture of E.M.D. / Security Deposit, if any, and recovery of risk and cost charges etc. Decision of V.S.P. Management will be final and binding.
17. Failure to execute the work after LOI/WORK ORDER is given, will make the party liable for debarring for **a period of 2 (TWO) YEARS.**
18. In case the Tenderers revoke/withdraw/cancel their tender or they vary any terms of their tender during the validity period of the tender without the written consent of Visakhapatnam Steel Plant (VSP) or in the event of VSP accepting their tender and fail to deposit the required security money, execute the Agreement and fail to start the work within reasonable time (to be determined by the Engineer) after written acceptance of their tender – EMD submitted by them will be forfeited by VSP.

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19. **PRICE VARIATION DUE TO CHANGE IN LABOUR WAGES:** In case of revision in RINL / VSP approved wage rate, consequent to the revision in the minimum wages (either in Basic Wage or Living Allowances) as notified by the Regional Labour Commissioner (Central), Visakhapatnam, Escalation amount to the contract shall be payable as per the following formula:

$$V = \frac{L \times W \times (X - X_o)}{X_o}$$

WHERE:

- V= Escalation Payable
- L= Labour Content (a*USRo + b*SSRo + c*SKRo) /W
- W= Gross value of work done on the basis of Contract Rates for the period for which variation is applicable
- X= Revised weighted average of RINL/VSP approved wage rates of Unskilled Worker, Semi-skilled Worker and Skilled Worker based on the minimum wages as notified by the Regional Labour Commissioner (Central), Visakhapatnam, for the period under consideration for the contract on the basis of actual man days present by different categories of contract labour during the billing period.
- Xo = Weighted average of existing RINL/VSP approved wage rates of Unskilled Worker, Semi-skilled Worker and Skilled Worker considered in the estimate which is indicated in the Quote Sheet – Form “G” / BOQ of the Tender document on the basis of actual man days present by different categories of contract labour during the billing period.

Computation of X and Xo:

$$X = (a*USR + b*SSR + c*SKR)/(a+b+c)$$

$$X_o = (a*USRo + b*SSRo + c*SKRo) / (a+b+c)$$

$$L = (a*USRo + b*SSRo + c*SKRo) / W$$

Where

a= man days present by USW during the billing period

b= man days present by SSW during the billing period

c= man days present by SKW during the billing period

USR= Revised RINL/VSP approved wage rate for USW at the time of billing

SSR= Revised RINL/VSP approved wage rate for SSW at the time of billing

SKR= Revised RINL/VSP approved wage rate for SKW at the time of billing

USRo= RINL/VSP approved wage rate for USW indicated in the Quote Sheet (Form G)/BOQ of the Tender Document.

SSRo= RINL/VSP approved wage rate for SSW indicated in the Quote Sheet (Form G)/BOQ of the Tender Document.

SKRo= RINL/VSP approved wage rate for SKW indicated in the Quote Sheet (Form G)/BOQ of the Tender Document.

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(The above escalation shall be independent of the award percentage whether positive or negative)

20. **PAYMENT OF MINIMUM WAGES:** *Wages paid to the workmen by the contractor should not be less than the rates notified by the Regional Labour Commissioner (Central), Visakhapatnam, from time to time with regard to the minimum wages applicable to the respective categories of workmen **plus the ad-hoc amount at the rate of Rs.11.54ps as per working day per workman per category. Wages with ad-hoc amount 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) contributions should be deposited in the bank in the permanent PF code number 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	An amount to the differential amount between wages to be paid under minimum wages notification of the Govt. applicable for the period less actual wages paid <u>along with administrative charges @ 15% on the total differential wages paid by VSP</u> shall be recovered from the bills as certified by the authorized representative of Transport section of General Administration Department of VSP .
2. Non- payment of wages & adhoc amount	An amount equivalent to wages & adhoc amount payable by the agency applicable for the relevant period <u>along with administrative charges @ 15% on the total wages and adhoc amount paid by VSP</u> shall be recovered from the bills as certified by the authorized representative of Transport section of General Administration Department of VSP.
3. Non- payment of PF contribution	Recovery of PF amount and an amount equivalent to maximum penalty leviable by Regional PF Commissioner for the delayed period under the provisions of EPF & MP Act and Rules for delayed remittance of PF contributions (both the employees and employer's contributions) <u>along with administrative charges @ 15% on the total PF amount paid by VSP</u> shall be recovered from the bills of Agency as certified by the authorized representative of Transport section of General Administration Department of VSP
4. Delayed payment of PF contribution	An amount equivalent to maximum penalty leviable by Regional PF Commissioner for the delayed period under the provisions of EPF & MP Act and rules for delayed remittance of PF contributions (both the employee's and employee's contributions) <u>along with administrative charges and DD charges @ 15% on the total penalty amount remitted to EPF Trust</u>

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	<u>by VSP</u> shall be recovered from the bills of the Agency as certified by the authorized representative of Transport section of General Administration Department of VSP
5.Non-payment of ESI contribution	Recovery of ESI amount and an amount equivalent to maximum penalty leviable by ESI Authorities for the delayed period under the provisions of the ESI Act for delayed remittance of ESI contributions (both the employees and employer's contributions) <u>along with administrative charges @ 15% on the total ESI amount paid by VSP</u> shall be recovered from the bills of the Agency as certified by the authorized representative of Transport Section of General Administration Dept. of VSP.
6.Delayed payment of ESI contribution	An amount equivalent to maximum penalty leviable by ESI Authorities for the delayed period under the provisions of ESI Act and rules for delayed remittance of ESI contributions (both the employee's and employer's contributions) <u>along with administrative charges @ 15% on the total penalty amount remitted to ESI Corporation by VSP</u> shall be recovered from the bills of the Agency as certified by the authorized representative of Transport Section of General Administration Dept. of VSP.

21. **Special Miscellaneous Allowance (SMA) and Additional Special Miscellaneous Allowance (ASMA)**
- 21.1 The contractor shall have to pay ASMA (Additional Special Miscellaneous Allowance) @ Rs.42.30ps per day of actual attendance of each worker in the contract not exceeding Rs.1100/- per month in addition to the wages as indicated in the minimum wages clause of Special Conditions of Contract. The contractor will submit his claim towards payment made on this account separately along with the RA Bill.
- 21.2 The contractor shall also have to pay SMA (Special Miscellaneous Allowance) @ Rs.38.46ps per day of actual attendance of each worker deployed in the contract not exceeding Rs.1000/- per month to the contract labour who is already in receipt of SMA @ Rs.1000/- per month in accordance with the prevailing practice in RINL. Further, the said SMA amount will be payable to all the contract labour deployed in contract with effect from 01.07.2015. This will be in addition to the wages as indicated under the minimum wages clause of Special Conditions of Contract. The contractor will submit his claim with proof of such payment separately along with the RA Bill and same will be reimbursed/paid to him.
- 21.3 It may be noted that the payment of SMA is towards the expenditure incurred by the contract labour on Washing allowance, Food/Milk/Tiffin allowance, Coconut water allowance, etc. Similarly, payment of ASMA is towards the expenditure incurred on Fuel charge and Food/Milk/Tiffin allowance/Coconut water allowance,
- 21.4 The contractor is required to take the above aspects into consideration while submitting their offers and no profit/overhead charges will be paid by VSP on this account.

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- 21.5. As regards applicability of payment of ASMA/SMA, the contractor may refer NIT/Terms & Conditions of the contract in this regard.
22. The tenderers shall note that in case of quoting above the Estimated Value of V.S.P. the L-1 party shall furnish logical / satisfactory explanation which V.S.P. may seek if felt necessary for quoting such high rates. If the explanation offered by the L-1 party is not acceptable to V.S.P., the L-1 party may be recommended for disqualification while retendering the work.
23. The following deductions per workman deployed category-wise shall be made from the bills/amounts due to the contractor as applicable for the work done and such deducted amounts shall be released as mentioned below:

<i>S.No</i>	<i>Component</i>	<i>Recovery amount per labour per every WORKING DAY (in Rs.)</i>			<i>To be released when</i>
		<i>UN- SKILLED</i>	<i>SEMI- SKILLED</i>	<i>SKILLED</i>	
01	<i>Notice pay</i>	25.23	28.57	33.47	After the Contractor makes payment to the workmen in the presence of <i>Engineer I/C and CLC representatives</i> , a certificate to this effect is to be enclosed with pre-final bill. <i>(to be paid with pre-final bill)</i>
02	<i>Retrenchment compensation</i>	12.61	14.29	16.73	
03	<i>Leave with wages</i>	15.52	17.58	20.59	
<i>Sub-total</i>		53.36 (per every working day)	60.44 (per every working day)	70.79 (per every working day)	
04	<i>Bonus</i>	11.55	11.55	11.55	After the Contractor makes payment to the workmen in the presence of <i>Engineer I/C and CLC representatives</i> , a certificate to this effect is to be enclosed with RA bill / pre-final bill. <i>(to be paid with RA bill / pre-final bill as and when</i>

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					<i>paid by the Contractor)</i>
Grand total	64.91	71.99	82.34		
10% towards profit and overheads of Contractor	06.49	07.20	08.23		
Total recovery amount	71.40	79.19	90.57		

Note:

- i) The above recovery rates are effective from 01/10/2015. In case of any statutory revision in minimum wages payable to contract workmen as notified by the Regional Labour Commissioner (Central), Visakhapatnam from time to time, the above recovery amounts for workmen category-wise will be revised by RINL/VSP and will be notified accordingly.
- ii) Payment against the above component is to be made to the workmen based on effective wages of last drawn pay.

24. PAYMENT MODE FOR BILL AMOUNTS:

24.1 Following are the options available to the Contractors for availing e-payments.

24.1.1 **EFT System:** Under this system Banks offer their customers money Transfer service from account of any bank branch to any other Bank Branch. The EFT system presently covers all the branches of about 77 banks located at 15 centers indicated below, where clearing houses are managed by RBI i.e.,

- i) New Delhi ii) Chandigarh iii) Kanpur iv) Jaipur v) Ahmedabad vi) Mumbai vii) Nagpur viii) Hyderabad ix) Bangalore x) Chennai xi) Trivendrum xii) Kolkata xiii) Bhubaneswar xiv) Guwahati xv) Patna.

24.1.2 **Direct Credit:** Suppliers opting for this system may open Bank accounts with any one of the following banks.

- | | | | |
|------|-------------------------|---|-----------------------------|
| i) | State Bank of India | - | Steel Plant Branch |
| ii) | Canara Bank | - | Steel Plant Branch |
| iii) | Bank of Baroda | - | Steel Plant Branch |
| iv) | State Bank of Hyderabad | - | Steel Plant Township Branch |
| v) | Andhra Bank | - | Steel Plant Township Branch |
| vi) | UCO Bank | - | Steel Plant Township Branch |
| vii) | IDBI | - | Visakhapatnam Branch |

24.2. The Successful tenderer shall agree that all the payment due and payable in terms of the contract will be paid direct to his bank account and he shall give the bank account number and the address of the Bank in which the money is to be deposited” as per the format given below:

- | | | | |
|-----|------------|---|------------|
| (1) | Party Code | : | |
| (2) | Option | : | RTGS / EFT |

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(3) Beneficiary Details

- a) Name of Beneficiary (Max.35 characters) :
- b) Bank Name (Max. 35 characters) :
- c) Branch Name (Max. 35 characters) :
- d) Account Number (Max. 35 characters) :
- e) Account type (Max. 35 characters) :
(Savings / Current / Overdraft) [Mention Code No. also]
- f) Beneficiary Bank's IFSC Code (Max. 11 characters):
(For RTGS Mode only)
- g) Beneficiary Bank's MICR Code (Max.09 characters):
(For EFT Mode only)

(Signature of the Party / Contractor)

Name:

Desgn:

CERTIFICATE

Certified that the above particulars are found to be correct and matching with our records in respect of the above beneficiary.

Sd/-.....

(Signature of Branch Manager)

Name :

Seal of Bank :

- 24.3 The contractor has to submit their bank account details in VSP format duly certified by Concerned Bank Manager for the purpose of making electronic payment before submission of First Running Account Bill, failing which the bill will not be processed.
- 24.4. The Successful tenderer is required to give an undertaking to the Finance Department of VSP that the payment made by RINL/ VSP of any sum due to him by directly remitting the same in his bank, the address and the number of which is to be furnished, shall be in full discharge of the particular bill raised by him, and that he shall not have any claim in respect of the same”.
- 24.5 *In respect of payment made through Electronic Fund Transfer mechanism or Direct Credit to the supplier's/contractor's bank account, the supplier/contractor/receiver should intimate discrepancies, if any, within 10 days from the date of dispatch of intimation letter of payment to them to Finance Department of VSP failing which it shall be presumed that the funds have reached to their bank account and that no claims will be entertained after the said 10 days.*

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- 25.0 The Contractor shall abide by the following Environment, Safety and Health policy of VSP:
- a. The Contractor must adhere to all the applicable statutory laws pertaining to safety, health and environment.
 - b. The Contractor must ensure that there is no wastage of water at the work site. The Contractor must also ensure that all the water tapping points are leak proof.
 - c. All the motor vehicles of the Contractor used for transporting materials/ machinery etc. should have pollution control certificates and the same should be submitted at the time of obtaining gate passes. A copy of the same must be exhibited/ pasted on the vehicle also.
 - d. The Contractor must ensure dust suppression measures in the work areas by sprinkling of water etc. and also ensure that all his workers use dust masks while working in dusty areas.
 - e. The Contractor must ensure proper housekeeping at site by keeping the work areas free from unwanted material, grease and oil to avoid slips & falls.
 - f. The Contractor must ensure that all the debris generated during the work is transported safely to dump yard such that there is no spillage of debris on the road during transportation (by covering with a plastic sheet/tarpaulin)
 - g. All the garbage collected from dust bins etc. should be transported in covered vehicles.
 - h. All the material which may be recycled/ reused should be transported to the designated place for reuse/ recycling.
 - i. All the cut jungle growth and trees should be disposed at the dumping yard without open air burning.
 - j. Heating/ melting of bitumen must be done in boilers only. Heating/ melting of bitumen in open drums/containers is prohibited.
 - k. The Contractor must ensure that there is no spillage of oil or paints on the floor / ground etc.
 - l. All representatives/supervisors/workers of contractors must take safety and environmental induction training and comply with the instructions given there in.

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