

CONTRACT DOCUMENT FOR DOMESTIC BIDDING

- ❑ **STANDARD CONTRACT CLAUSES**
- ❑ **STANDARD GENERAL CONDITIONS**



Government of India
Ministry of Statistics and Programme Implementation
Infrastructure and Project Monitoring Division
Sardar Patel Bhawan, Sansad Marg
New Delhi - 110 001
www.mospi.nic.in

April 2005

CONTRACT DOCUMENT FOR DOMESTIC BIDDING

- ❑ **STANDARD CONTRACT CLAUSES**
- ❑ **STANDARD GENERAL CONDITIONS**



Government of India
Ministry of Statistics and Programme Implementation
Infrastructure and Project Monitoring Division
Sardar Patel Bhawan, Sansad Marg
New Delhi - 110 001
www.mospi.nic.in

April 2005

ऑस्कर फर्नांडिस
OSCAR FERNANDES



राज्य मंत्री (स्वतंत्र प्रभार)
सांख्यिकी और कार्यक्रम कार्यान्वयन
भारत सरकार, नई दिल्ली
MINISTER OF STATE (INDEPENDENT CHARGE)
STATISTICS & PROGRAMME IMPLEMENTATION
GOVERNMENT OF INDIA
NEW DELHI

FOREWORD

Projects are the cutting edge of development. Projects not only provide industrial and social infrastructure but also create capital base for employment, services, generation of resources for further development with a chain of linked activities. Successful implementation depends largely on carrying out the constituent tasks in a proper sequence, deploying the resources to the best advantage. In the last 20 years, the Project Management Division of the Ministry of Statistics & Programme Implementation has monitored a few thousand infrastructure and industrial projects of the Central/Public Sector enterprises and Government agencies.

It emerges from the analysis of the Central Sector Projects by the Ministry of Statistics & Programme Implementation that many of the projects suffer from inadequacies in project formulation and implementation, resulting in large time and cost overruns, affecting the very viability of the projects and acting as drag on the economy. The analysis has also identified several factors responsible for time and cost overruns - some within the control of the enterprises and some beyond their control. As an apex institution for monitoring, the Ministry of Statistics & Programme Implementation has initiated several measures to improve the system and procedures relating to project formulation, implementation and monitoring. These include 2-stage clearance, appointment of Nodal Officers, improved procedures for cost benefit analysis and approval, delegation of more powers at project level, release of project implementation manual, institution of MOU system, close monitoring, institution of Empowered Committee Mechanism, adoption of milestone network based monitoring, extensive training of project managers, prioritization of projects matching with available resources, and several project based interventions. A host of other measures, like, amendment to Land Acquisition Act and development of Standard Rehabilitation Package, On-line Computerised Monitoring System etc. are under progress. Improvement in the extant procedures for formulation, appraisal and downstream procedures would further improve the delivery of projects.

Time and cost overruns in projects in the environment of uncertainties, inadequate funding, delay in land acquisition, law and order problems, general escalation in costs, and, high cost of capital cannot be eliminated altogether; but these can be controlled by suitable measures. Measures highlighted above have definitely brought about improvement in the project implementation scenario. A study carried out by the Ministry shows that the cost overruns in projects even with respect to original costs have come down from 62 % in March, 1991 to 20.7% in September, 2004. On an average, 450 projects costing Rs.1,60,000 crore have been on the monitor of

ऑस्कर फर्नांडिस
OSCAR FERNANDES



राज्य मंत्री (स्वतंत्र प्रभार)
सांख्यिकी और कार्यक्रम कार्यान्वयन
भारत सरकार, नई दिल्ली
MINISTER OF STATE (INDEPENDENT CHARGE)
STATISTICS & PROGRAMME IMPLEMENTATION
GOVERNMENT OF INDIA
NEW DELHI

the Ministry. Assuming 6 to 7 years as average period of completion of a project, the direct saving in the last 13 years as a result of decrease in cost overruns is of the order of Rs. 1,22,710 crore (1,60,000 X 0.413 x 1.857). This has been possible due to efforts made by the Ministries and Project Enterprises in close coordination with the Ministry of Statistics and Programme Implementation.

Inequity condition in construction contract has been identified as one of the major maladies in Project Execution. Traditionally, the text of contract documents is drafted by the owner and this normally results in a manual which, sometimes, is drafted to favor one of the parties entering into a contract. An inequitable contract hurts all parties at all times, and therefore, is not a workable contract. Then, there is a question of multiplicity of contract texts. Almost all wings of Government, be they the Union Ministries, State Departments, or even the Public Sector Undertakings, both at the Central as well as State levels, have evolved and practice their own contract texts. Several of these are not relevant or designed to meet the exigencies posed by the complexities of present day contract management requirements. In this backdrop, this Ministry of Statistics & Programme Implementation took the initiative to develop a harmonized and transparent Contract Management System.

The contract document has been further revised by the Ministry, after wide consultations with the Construction Industry Development Council (CIDC) to include revised Clause 9 on Liquidated Damages (9A) and Incentives/Bonus (9B) approved by the Committee of Secretaries and its associates, major Public Enterprises and Government Ministries/Departments. This would go a long way in serving as a standard document and a set of guidelines for preparing proper contract documents. This will, in turn, lead to reduction in delays as well as improvement in productivity of both the owner as well as the contractor, improving co-operation and sense of responsibility and also reducing incidence of disputes between them. I believe that this is one of the positive steps towards good governance and hope that all agencies would adopt these Guidelines in the right spirit.



(OSCAR FERNANDES)



ज. हरी नारायण
J. HARI NARAYAN
TEL : 23742150
FAX : 23742057
E-mail : secpi@alpha.nic.in

सचिव
SECRETARY

भारत सरकार
Government of India
सांख्यिकी एवं कार्यक्रम कार्यान्वयन मंत्रालय
Ministry of Statistics and Programme Implementation
सरदार पटेल भवन, संसद मार्ग
Sardar Patel Bhavan, Sansad Marg
नई दिल्ली - 110001
New Delhi - 110 001

PREFACE

I am privileged to write the preface to the Revised Guidelines on Contract Management System developed by Infrastructure and Project Monitoring Division (IPMD) of the Ministry of Statistics & Programme Implementation after consultations with several Government Agencies/Public Sector Enterprises.

The concerted efforts of IPMD in bringing about several system improvements and in creation of awareness among the Ministries/Departments and Public Sector Enterprises about the need for completion of Projects within time and approved costs has paid rich dividends. These guidelines would provide a more effective and transparent system for management of all types of projects of industrial and social infrastructure. and result in ultimate savings to the nation by reducing incidence of disputes in contracts, enhancing better cooperation among the participating parties and inculcating greater sense of responsibility, leading to speedy execution of projects. The ideas drawn up in the guidelines for management of contracts with sound planning and net-working of the related inter-linked activities would help the owner as well as the contractor in keeping a good control on the implementation of projects on day-to-day basis and in keeping the projects on proper track.

The Standard Contract Clauses, which, by and large, conform to the international practices followed by the World Bank, the UN Agencies as well as the FIDIC, would provide basic structure for preparing the Contract Documents, and the Standard General Conditions for domestic bidding and would serve as guidelines for providing safeguards for specific work requirements. These would help clearly identify the responsibilities of the parties entering into contract to achieve the specific objectives within the prescribed specifications and boundary limits.

The IPMD of the Ministry of Statistics & Programme Implementation took up this matter and prepared the guidelines on Contract Management System at the national level. I acknowledge the dedicated efforts of Dr. R.C. Panda, Additional Secretary and Shri J. L. Narayan, Joint Adviser, in the Ministry of Statistics & Programme Implementation, Shri Harish Chandra, former DG (Works), Shri P. R. Swarup, D.G., CIDC and all esteemed members of the Harish Chandra Committee for their valuable contributions in drafting and finalising these Guidelines on Contract Management System. Let us adopt these Guidelines in the right spirit and help the cause of infrastructure building and project management in our country in a significant way.

(J. HARI NARAYAN)

INDEX

Sl. No.	Clause/ Sections	DESCRIPTION	Page No.
PART I		STANDARD CONTRACT CLAUSES FOR DOMESTIC BIDDING CONTRACT	
1.	CLAUSE 1	Eligibility and Pre-qualification (PQ)	2
2.	CLAUSE 2	Earnest Money (EM)	3
3.	CLAUSE 3	Security Deposit (SD)	3
4.	CLAUSE 4	Variations, Extra/Substituted Items	4
5.	CLAUSE 5	Payment of Running Bills	4
6.	CLAUSE 6	Payment of Final Bills	5
7.	CLAUSE 7	Advance Payment	5
8.	CLAUSE 8	Secured Advance	5
9.	CLAUSE 9	Liquidated Damages and Incentives/Bonus	6
10.	CLAUSE 10	Escalation	7
11.	CLAUSE 11	Disputed Items and Arbitration	8
12.	CLAUSE 11A	Dispute Resolution Board	9
13.	CLAUSE 12	Owner's Risk and Compensation Events	10
PART-II		STANDARD GENERAL CONDITIONS FOR DOMESTIC CONTRACTS	
14.	DC 1	Bid Reference	13
15.	IFB	Invitation for Bids	14
16.	SECTION 1	Instruction to Bidders	17
17.	SECTION 2	Forms of Bid, Qualification Information and Letter of Acceptance	37
18.	SECTION 3	Conditions of Contract and Special Conditions	48
19.	SECTION 4	Contract Data	81
20.	SECTION 5	Specifications	92
21.	SECTION 6	Drawing	93
22.	SECTION 7	Bill of Quantities	94
23.	SECTION 8	Forms of Securities	95
24.	SECTION 9	Contract Supervision and Monitoring System	107
25.	ANNEXURE-I	Review Committee for Contract Management System	108
26.	ANNEXURE-II	The Committe	109

12 STANDARD CONTRACT CLAUSES

The 12 Standard Contract Clauses are the basic clauses which provide the structure for a contract between two parties for carrying out specific activities in a desired manner. Whereas the Standard General Conditions for domestic contracts as given in Part II of the document provide a complete framework for preparation of the contract documents.

12 STANDARD CONTRACT CLAUSES

CLAUSE 1-Eligibility and Pre- qualification (PQ)

A. Eligibility Criteria :

- a. Experience on similar works executed during the last five years; and details like monetary value, clients, proof of satisfactory completion ;
- b. Registration, if any, with specified deptts/ organisations, class / type of registration ;
- c. Documentary evidence of adequate financial standing.

B. Pre-qualification Information to be called for :

- a. Constitution and legal status. Joint-venturing or other tie-ups for technology, equipment, financial backing and / or project management;
- b. Registration (class and type) with specified agencies and previous pre-qualification(s) for similar projects.
- c. Experience on similar work(s) during last 5 years with details including year wise monetary value, clients, and proof of satisfactory completion of works.
- d. Financial standing as certified by Bankers, Audited Profit & Loss A/c and Balance Sheet, Annual turnover in last 5 years, access to adequate working capital.
- e. Construction Equipment proposed to be deployed for the project and proof of its availability; equipment proposed to be purchased or leased.
- f. Key personnel available and proposed to be engaged for management and supervision of the Project, their qualifications and experience.
- g. Project planning and quality control procedures to be adopted.
- h. Information regarding projects in hand, current litigation, orders regarding exclusion/expulsion or black listing, if any.
- i. The capacity of a construction agency to take up a new project under consideration in addition to his present commitments must be carefully assessed on the basis of the above information. The method of this assessment may be left to the owner or his Consultants.
- j. It may be mentioned, as an example, that some organisations, like, the World Bank, adopt the following formula :
- k. The cut of grade obtained by Construction Company under the Grading scheme of CIDC should be

Bid Capacity = $A \times N \times 2 - B$, where

‘ N ’ = Number of years prescribed for completion of the subject contract.

‘ A ’ = maximum value of works executed in any one year during last five years (at current price level)

‘ B ’ = Value, at current price level, of existing commitments and on going works to be completed in the next ‘ N ’ years.

CLAUSE 2 -Earnest Money (EM)

- A. For projects estimated to cost Rs. 25 crores and above, earnest money should be 1% of the estimated cost; and maximum amount of earnest money should be Rs. 50 lakh.
- B. For projects estimated to cost less than Rs. 25 crores also, the earnest money should be 1% of the estimated cost . Maximum amount of earnest money may be stipulated at the discretion of the owner .
- C. Earnest money may be submitted in the form of irrecoverable Bank Guarantee with Banks to be specified by the Owners. Certified cheques and Demand Drafts should also be acceptable; Bank Guarantees submitted as Earnest Money shall be valid for 28 days beyond the validity of the bid.
- D. Earnest money of unsuccessful bidders should be refunded as promptly as possible, but not later than 28 days after the expiry of the bid validity.

CLAUSE 3- Security Deposit (SD)

- A. Security Deposit shall consist of two parts; a) Performance Guarantee to be submitted at award of work, and b) Retention money to be recovered from Running Bills.
- B. Performance Guarantee should be 5% of Contract amount and should be submitted as Bank Guarantee, Government Securities, FDR or any other form of deposit stipulated by the Owner, within 28 days of receipt of letter of acceptance.
- C. Retention Money should be deducted at 5% from Running Bills. Total of Performance Guarantee & Retention Money should not exceed 10% of Contract amount or lesser sum indicated in the bid document.
- D. 5% Performance Guarantee should be refunded within 14 days of the issue of the defect liability Certificate (taking over Certificate with a list of defects). Retention money should be refunded after issue of No. Defects Certificate. This balance amount can be substituted by “on demand” Bank Guarantee.

CLAUSE 4 -Variations, Extra/ Substituted Items

- A. Variation permitted should be $\pm 25\%$ in quantity of each individual item, and $\pm 10\%$ of the total contract price. Within 14 days of the date of instruction for executing varied work, extra work or substitution, and before the commencement of such work, notice shall be given either (a) by the contractor to the owner of his intention to claim extra payment or a varied rate or price, or (b) by the owner to the contractor of his intention to vary a rate or price
- B. For items not existing in the Bill of Quantities or substitutions to items in the Bill of Quantities, rate payable should be determined by methods given below and in the order given below :
 - 1. Rates and prices in Contract, if applicable ;
 - 2. Rates and prices in the Schedule of Rates applicable to the Contract \pm tendered percentage, where appropriate;
 - 3. Market rates of materials and labor, plus 10% for overheads and Profits of contractor
 - 4. Escalation to be paid as admissible.
- C. If there is delay in the owner and the contractor coming to an agreement on the rate of an extra item, provisional rates as proposed by the owner should be payable till such time as the rates are finally determined.
- D. For items existing in the Bill of Quantities but where quantities have increased beyond the variation limits, the rate payable for quantity in excess of the quantity in the Bill of Quantity plus the permissible variation should be :
 - 1. Rates and prices in contract, if reasonable, failing which
 - 2. Market rates of material and labour, plus 20% for overheads and profits of contractor.

CLAUSE 5 -Payment of Running Bills

- A. Bills should be prepared and submitted by the Contractor. Joint measurements should be taken continuously and need not be connected with billing stage. System of 4 copies of measurements, one each for Contractor, Client and Engineer, and signed by both Contractor and Client can be tried.
- B. 75% of bill amount should be paid within 14 days of submission of the bill. Balance amount of the verified bill should be paid within 28 days of the submission of the bill.
- C. For delay in payment beyond these periods specified in B) above, interest at a pre-specified rate (suggested rate 12% p. a.) should be paid.

CLAUSE 6 -Payment of Final Bills

- A. Contractor should submit final Bill within 60 days of issue of defects liability certificate. Client's engineer should check the bill within 60 days after its receipt and return the bill to Contractor for corrections, if any are needed. 50% of undisputed amount should be paid to the Contractor at the stage of returning the bill.
- B. The contractor should re-submit the bill, with corrections within 30 days of its return by the Engineer. The re-submitted bill should be checked and paid within 60 days of its receipt.
- C. Interest at a pre-specified rate (say 12%) should be paid if the bill is not paid within the time limit specified above.

CLAUSE 7 Advance Payment

- A. Mobilisation Advance and Construction Equipment Advance should be given at 12% interest or free of interest at the discretion of the owner and against Bank Guarantee for Mobilisation Advance and against hypothecation of Construction Equipment to the Owner for Construction Equipment Advance.
- B. Mobilisation Advance should be given upto 10% of Contract price, payable in two equal instalments. The first instalment should be paid after mobilisation has started and next instalments should be paid after satisfactory utilisation of earlier advance (s).
- C. Construction Equipment Advance should be paid upto 5% of Contract price, limited to 90% of assessed cost of machinery. For special cases, a higher advance for construction equipment upto 10% of contract price may be considered.
- D. Construction Equipment advances should be paid in two or more instalments. First instalment should be paid after Construction Equipment has arrived at the site and next instalments should be paid after satisfactory utilisation of earlier advance (s).
- E. Recovery of Mobilisation and Construction Equipment advance should start when 15% of the work is executed and recovery of total advance should be complete by the time 80% of the original Contract price is executed.

CLAUSE 8 -Secured Advance

- A. 75% of cost of materials brought to site for incorporation into works only should be paid as Secured Advance. Materials which are of perishable nature should be adequately insured. In case, advance is not payable against any particular items, they should be listed in the Contract Document.

CLAUSE 9 -Liquidated Damages and Incentives

Liquidated Damages

9A. In case of delay in completion of the contract, liquidated damages (L.D) may be levied at the rate of half per cent ($\frac{1}{2}\%$) of the contract price per week of delay, subject to a maximum of 10 per cent of the contract price.

9A (i) The owner, if satisfied, that the works can be completed by the contractor within a reasonable time after the specified time for completion, may allow further extension of time at its discretion with or without the levy of L.D. In the event of extension granted being with L.D, the owner will be entitled without prejudice to any other right or remedy available in that behalf, to recover from the contractor as agreed damages equivalent to half per cent ($\frac{1}{2}\%$) of the contract value of the works for each week or part of the week subject to the ceiling defined in sub-Clause 9 A.

9A (ii) The owner, if not satisfied that the works can be completed by the contractor, and in the event of failure on the part of the contractor to complete work within further extension of time allowed as aforesaid, shall be entitled, without prejudice to any other right, or remedy available in that behalf, to rescind the contract.

9A (iii) The owner, if not satisfied with the progress of the contract and in the event of failure of the contractor to recoup the delays in the mutually agreed time frame, shall be entitled to terminate the contract.

9A (iv) In the event of such termination of the contract as described in clauses 9A (ii) or 9A (iii) or both the owner shall be entitled to recover L.D. upto ten per cent (10%) of the contract value and forfeit the security deposit made by the contractor besides getting the work completed by other means at the risk and cost of the contractor.

9 A (v) The ceiling of LD shall be 10% of the project cost in turnkey contracts. Lower limits for LDs should be clearly justified while formulating the contract. Each public sector undertaking/Ministry will take a considered view for adopting any deviations on LDs with necessary legal advice.

9A (vi) Ministries/Departments/Project Enterprises may adopt a suitable percent of the contract price as liquidated damages and allowable time-limit depending upon the nature of turnkey contract.

Incentives or Bonus (Optional Clause)

- 9B For early completion of the contract before the stipulated date of completion of an incentive amount at the rate of half per cent ($\frac{1}{2}\%$) of the contract price per week of early completion, subject to a maximum of five per cent (5%) of the contract price may be paid to the contractor.
- 9B (i) The incentive or bonus (optional clause) would be applicable in time-critical projects.
- 9B (ii) The owner (Project Enterprise/Ministry/Department) may determine accurately the quantum of incentive and the period of early completion as the eligibility criteria before the award of contract.
- 9B (iii) Each Public Sector Undertaking/Ministry will consider and take a considered view whether the clause regarding incentives are to be included in the contract along with justifications based on legal advice.

CLAUSE 10- Escalation

- A (I) All short duration contracts up to 24 months should be awarded on fixed price basis and are not subject to any escalation what so ever. However, only statutory variation limited to duties and taxes are considered for adjustment in contract price.
- A (II) For calculating escalation, base prices should be taken as on the date of opening of the Bids.
- B. The Contract document should specify the suitable percentage of input for labor, materials like cement, steel, bitumen, POL and other materials and equipment usage for the purposes of calculating escalation.
- C. Escalation should be calculated, based on
- Notified fair wages and in the absence of which consumer price index for labour would be applicable,
 - Market rate for cement and steel,
 - Average official retail price of bitumen & POL, and
 - Whole sale price index for other materials,
 - Published Government Documents should be used for calculation of escalation amount.
- D. Escalation Reimbursement should be calculated for to the extent of 85% of the escalation so calculated.

CLAUSE 11 - Disputed Items and Arbitration

A. Conciliation

- a) Disputes between the Employer and the Contractor shall first be submitted to Conciliation. The procedure outlined in the Arbitration and Conciliation Act, 1996 shall be followed.
- b) The party initiating conciliation shall send to the other party a written invitation to conciliate. Conciliation proceedings shall commence when the other party accepts in writing the invitation to conciliate. If the other party rejects the invitation, or does not reply within thirty days from the date of invitation, there will be no Conciliation Proceedings.
- c) There shall be one Conciliator, unless the parties agree that there shall be two or three Conciliators; where there is more than one Conciliator, they ought, as a general rule, to act jointly.
- d) When it appears to the Conciliator that there exists elements of a settlement which may be acceptable to the parties, he shall submit them to parties for their observation. He may reformulate the terms of a possible settlement in the light of their observations.
- e) If the parties reach agreement of the dispute, they may draw up and sign a written settlement agreement. They may request the Conciliator to draw up or assist them in drawing up the settlement agreement.
- f) If settlement agreement shall have the same status and effect as if it is an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal under section 30 of the Act.
- g) If a settlement does not appear possible, the Conciliator, after consultation with the parties, will give a written declaration that further efforts at Conciliation are no longer justified and the Conciliation Proceedings are terminated.

B. When Conciliation Proceedings have become infructuous or have been terminated, the party, which initiated the Conciliation, shall refer the disputes for Arbitration. The reference to Arbitration should be made preferably within 28 days of the termination of Conciliation Proceedings.

C. The Arbitration shall be conducted in accordance with the Indian Arbitration and Conciliation Act, 1996. For Contracts costing upto Rs. 10 Crores, a Sole Arbitrator should be appointed. For Contracts costing over Rs. 10 Crores, a Committee of Arbitrators should be appointed composed of one Arbitrator to be nominated by the Contractor, one to be nominated by the Owner and the third Arbitrator, who will act as a Chairman but not as umpire, to be chosen jointly by the two nominees. The decision of majority of Arbitrators shall be final and binding on both parties.

CLAUSE 11A -Dispute Resolution Board

If a dispute of any kind whatsoever arises between the Employer and the Contractor in connection with, or arising out of the Contract or the execution of the Works, whether during the execution of the Works or after their completion and whether before or after the repudiation or other termination of the Contract, including any disagreement by either party with any action, inaction, opinion, instruction, determination, certificate or valuation of the Engineer, the matter in dispute shall, in the first place, be referred to the Dispute Review Board.

The Board shall be established by signature of the Dispute Review Board Agreement ("the Board Agreement") which shall occur at the same time as the signature of the Contract Agreement.

Membership of the Board in all contracts of value upto Rs. 3.00 crores will consist of one Member, experienced in the type of construction involved in the Works and in the interpretation of document, to be appointed by the President, Institution of Engineers (India) at the request of the employer. In all other cases, membership of the Board shall comprise three Members similarly experienced. One Member shall be selected by each of the Employer and the Contractor and approved by the other. If either of these Members is not so selected and approved within 14 days of the date of the Contract Agreement, then upon the request of either or both parties such Member shall be selected within 14 days of such request by the President, Institution of Engineers (India).

The third Member shall be selected by the other two and approved by the parties. If the two Members selected by or on behalf the parties fail to select the third Member within 14 days after the later of their selections, then upon the request of either or both parties such third Member shall be selected within 14 days by the same international / national appointment authority as above who shall seek the approval of the proposed third Member by the parties before selection, but failing such approval nevertheless shall select the third Member. The third Member shall serve as Chairman of the Board.

In the event of death, disability, or resignation of any Member, such Member shall be replaced in the same manner as the Member being replaced was selected. If for whatever other reason a Member shall fail or be unable to serve, the Chairman (or failing the action of the Chairman then either of other Members) shall inform the parties and such non-serving Member shall be replaced in the same manner as the Member being replaced was selected. Any replacement made by the parties shall be completed within 30 days, failing which the replacement shall be made by the same international / national appointing authority as above in the same manner as described above. Replacement shall be considered complete when the new Member signs the Board Agreement. Throughout any replacement process the Members not being replaced shall continue to serve and the Board shall continue to function and its activities shall have the same force and effects as if the vacancy had not occurred.

Either the Employer or the Contractor may refer a dispute to the Board and the Board's recommendations shall be binding on the Employer and the Contractor in respect of disputes involving individual claims upto one percent of the contract value subject to a ceiling of Rs. 1 (one) million for contracts valued upto three hundred million or and (ii) ceiling of Rs. 10 (Ten) million for contracts valued above Rs. 300 (Three hundred) million. In all other cases, upon receipt of Board's Recommendation (s), these shall be deemed accepted. Accepted and deemed accepted Recommendations shall be final and binding on the parties.

Any dispute on which the Board has not issued a Recommendation within 42 days of its final hearing on the dispute, or regarding which the Recommendation (s) are not accepted, may be referred in writing by either party to arbitration in accordance with this Clause, by written notice to the other party with copies to the Engineer and the Board. Such notice shall state that it is being made pursuant to this Clause and shall establish the entitlement of the party giving it to commence arbitration provided that no such arbitration may be commenced until such notice is given. Such reference shall be made within 14 days of receipt of the Board's recommendation (s), or within 14 days of the day on which said period of 42 days expired, as the case may be, failing which reference any recommendation (s) previously rejected or not accepted shall be deemed accepted despite such previous rejection or non-acceptance and shall be final and binding upon the parties.

All Recommendations, which have become final and binding, shall be implemented by the parties forthwith; such implementation shall include any relevant action of the Engineer.

Whether or not accepted or deemed accepted, all of the Recommendations shall be admissible in any subsequent dispute resolution procedure, including any arbitration or any litigation having any relation to the dispute or disputes to which the Recommendation (s) relate.

Unless the Contract has already been repudiated or terminated, the Contractor shall, in every case, continue to proceed with the Works with all due diligence and the Contractor and the Employer shall give effect forthwith to every decision of the Engineer unless and until the same shall be revised, as hereinafter provided, in an arbitral award.

CLAUSE 12 -Owner's Risk and Compensation Events

A. Owners Risks: The owner is responsible for the excepted risks, which are :-

- (a) War, hostilities, invasion, act of foreign enemies, rebellion, revolution, insurrection of military or usurped power, or civil war;

- (b) Riot, commotion, disorder, unless solely restricted to employees of the Contractor or his sub-contractors and arising from the conduct of the works;
 - (c) Contamination by radio activity from any nuclear fuel, or from any nuclear waste radioactive toxic explosive;
 - (d) A cause due solely to the design of the Works, other than the Contractors design;
 - (e) Pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds;
 - (f) Flood, tornadoes, earthquakes and landslides ;
 - (g) Loss or damage due to the use or occupation by the Employer of any Section or part of the Permanent Works except as may be provided for in the Contract ;
 - (h) Any operation of the forces of nature (in so far as it occurs on the site) which an experienced contractors could :
 - * not have reasonably foreseen or could
 - * reasonably have foreseen, but against which he could not reasonably have taken at least one of the following measures :
 - (i) prevent loss or damage to physical property from occurring by taking appropriate measures; and
 - (ii) Insure against .
- B. Compensation Events : The compensation events mutually agreed should be provided in the contract document.
- C. In the event of any such loss or damage happening from any of the owners risks defined in (A) above, as in combination with other risks, the contractor shall, if so required by the owner, rectify the loss or damage. An addition to the contract price shall be determined treating the work done as variation /extra / substituted item, as given in the relevant clauses.
- D. Whenever any compensation event occurs, the contractor will notify the owner, within 14 days and provide a forecast cost of the compensation event. As soon as information demonstrating the effect of such event is available, the owner shall assess the compensation to be paid. In case contractors' forecast is deemed unreasonable, the owner shall adjust the contract price and / or extend the completion date based on his assessment.

STANDARD GENERAL CONDITIONS FOR DOMESTIC CONTRACTS.

Standard General Conditions for Domestic Contracts consist of a complete framework for preparation of contract documents which include Invitation for Bids (IFB) and its basic details, format for Standard Bidding Document, General Conditions of Contract and Special Conditions of Contract including Standard Contract Clauses, contract data, specifications of the project, supporting drawings, bill of quantities and formats for securities etc. These documents have been arranged in the sequence of their formulation and implementation as given in the contents of this document.

(NAME OF THE PROJECT OWNER/EMPLOYER)

_____PROJECT

AGREEMENT NO. _____

DOMESTIC COMPETITIVE BIDDING

(CONSTRUCTION)

BID NO.-

NAME OF WORK _____

PERIOD OF SALE OF BIDDING FROM _____

DOCUMENT TO _____

TIME AND DATE OF PRE-BID DATE _____ TIME _____ HOURS
CONFERENCE

LAST DATE AND TIME FOR RECEIPT DATE _____ TIME _____ HOURS
OF BIDS

*TIME AND DATE OF OPENING OF BIDS DATE _____ TIME _____ HOURS

PLACE OF OPENING OF BIDS _____

OFFICER INVITING BIDS _____

* *Should be the same as for the deadline for receipt of bids or promptly thereafter.*

(Name of the Project owner/Employer)

.....PROJECT

INVITATION FOR BIDS (IFB)

DOMESTIC COMPETITIVE BIDDING

Date:

Bid No.:

1. The.....invites bids for the construction of works detailed in the table given in para 7 here in after. The bidders may submit bids for any or all of the works.
2. Bidding is open to all eligible bidders meeting the eligibility criteria as defined in clause no.3.5 of instructions to Bidders. Bidders should, however, be registered with the Central Govt./State Governments, or Central/State Government Undertakings. **Bidders are advised to note the minimum qualification criteria specified in Clause 4 of the Instructions to Bidders to qualify for the award of the contract.**
3. Bidding documents (and additional copies) may be purchased from the office of.....from.....to.....for a non-refundable fee as indicated, in the form of cash or Demand Draft on any Scheduled bank payable at.....in favour of.....Interested bidders may obtain further information at the same address. Bidding documents requested by mail will be despatched by registered/speed post on payment of an extra amount of Rs..... The.....will not be held responsible for the postal delay if any, in the delivery of the documents or non-receipt of the same.
4. Bids must be accompanied by security of the amount specified for the work in the table below, payable at.....and drawn in favour of.....Bid Security will have to be in any one of the forms as specified in the bidding documents and shall have to be valid for 28 days beyond the validity of the bid.
5. Bids must be delivered to.....on or before.....hours on.....(date) and will be opened on the same day at.....hours, in the presence of the bidders who wish to attend. If the office happens to be closed on the date of receipt of the bids as specified, the bids will be received and opened on the next working day at the same time and venue.

6. A prebid meeting will be held on.....at.....hrs.
at the office of.....to clarify the issues and to answer questions on any
matter that may be raised at that stage as stated in Clause 9.2 of 'Instructions to
Bidders' of the bidding documents.
7. Other details can be seen in the bidding documents.

TABLE

Package No.	Name of Works	Approximate value of works (Rs.)	Bid Security (Rs.)	Cost of documents (Rs.)	Period of completion
1	2	3	4	5	6
		a)	<u>For Projects costing</u> <u>Rs. 25 crores & above</u> 1% of Estimated cost subject to a max. amount of Rs. 50 lacs.		
		b)	<u>For projects costing</u> <u>less than Rs.25 crores</u> 1% of Estimated cost subject to a max amount of * Rs.		

* (To be stipulated at the
discretion of the Employer).

Seal of office

FORMAT
[STANDARD BIDDING DOCUMENTS]

SECTION 1: INSTRUCTIONS TO BIDDERS

<u>Table of Clauses</u>	<u>Page No.</u>	<u>Table of Clauses</u>	<u>Page No.</u>
A. General		17 Alternative Proposals by Bidders	28
1 Scope of Bid	18		
2 Source of Funds	18	18 Format and Signing of Bid	29
3 Eligible Bidders	18		
4 Qualification of the Bidder		D. Submission of Bids	
5 One Bid per Bidder	23	19 Sealing and Marking of Bids	29
6 Cost of Bidding	24	20 Deadline for submission of Bids	30
7 Site Visit	24	21 Late Bids	30
		22 Modification and Withdrawal of Bids	30
B. Bidding Documents			
8 Content of Bidding Documents	24	E. Bid Opening and Evaluation	
9 Clarification of Bidding Documents	24	23 Bid Opening	31
10 Amendment of Bidding Documents	25	24 BLANK	32
		25 Clarification of Bids	32
C. Preparation of Bids	25	26 Examination of Bids and Determination of Responsiveness	32
11 Language of Bid	25		
12 Documents Comprising the Bid Criteria Security	26	27 Correction of Errors	33
13 Bid Prices	26	28 BLANK	33
14 Currencies of Bid and Payment	26	29 Evaluation and Comparison of Bids	33
15 Bid Validity	27	30 BLANK	34
16 Bid Security (Earnest Money – EM)	27	F. Award of Contract	
		31 Award Criteria	34

GENERAL

1. Scope of Bid

- 1.1 The..... (referred to as Employer in these documents) invites bids for the construction of works (as defined in these documents and referred to as “the works”) detailed in the table given in IFB. The bidders may submit bids for any or all of the works detailed in the table given in IFB.
- 1.2 The successful bidder will be expected to complete the works by the intended completion date specified in the Contract data.

2. Source of Funds

- 2.1 The Employer has arranged the funds from(indicate the source) and will have sufficient funds in Indian currency for execution of the works.

3. Eligible Bidders

- 3.1. The *Invitation for Bids* is open to all eligible bidders meeting the eligibility criteria as defined in clause no. 3.5
- 3.2 All bidders shall provide in Section 2, Forms of Bid and Qualification Information, a statement that the Bidder is not associated, nor has been associated in the past, directly or indirectly, with the Consultant or any other entity that has prepared the design, specifications, and other documents for the Project Manager for the Contract. A firm that has been engaged by the Employer to provide consulting services for the preparation or supervision of the works, and any of its affiliates, shall not be eligible to bid.
- 3.3. Government-owned enterprises may only participate if they are legally and financially autonomous, operate under commercial law and are not a dependent agency of the Employer.
- 3.4 Bidders shall not be under a declaration of ineligibility for corrupt and fraudulent practices issued by the employer in accordance with sub-clause 37.1
- 3.5 Eligibility Criteria
 - a) The Bidder must have experience on similar works executed during the last five years. Details like monetary value, clients, proof of satisfactory completion should be submitted for establishing eligibility.
 - b) Registration if any with specified deptts/organisations, class/type of registration

- c) Documentary evidence of adequate financial standing

The employer would quantify the criteria as below.

TABLE

S.No.	Experience of works	Details of Registration	Requirements to display financial standing.
1.	Performance parameters	i) Registration	i) Solvency certificate from bankers for(value)
2	Equipment requirements		
3.	Managerial requirements	ii) Grade obtained under CIDC-ICRA grading	ii) Turn over in last years
4.	Manpower requirement	iii) Any other) Project, planning & quality control procedures to be adopted.	

- h) Information regarding projects in hand, current litigation, orders regarding exclusion, expulsion or black listing, if any.

The capacity of a construction agency to take up a new project under consideration in addition to his present commitments must be carefully assessed on the basis of the above information. (The method of this assessment may be left to the Employer or his Consultants).

- i) Trained & Certified workmen proposed to be employed at the work site of the project.

The Contractor must undertake to employ of certified worker to the extent of 20% of total strength.

Valid certificates by a recognized University, technical Board, or Ministry of Government of India would only be taken cognizance of.

- 4.3 If the Employer has not undertaken prequalification of potential bidders, all bidders shall include the following information and documents with their bids in Section 2.

- (a) copies of original documents defining the constitution or legal status, place of registration, and principal place of business; written power of attorney of the signatory of the Bid to commit the Bidder;
- (b) total monetary value of construction work performed for each of the last five years;
- (c) experience in works of a similar nature and size for each of the last five years, and details of works under way or contractually committed; and Employers who may be contacted for further information on those contracts;
- (d) major items of construction equipment proposed to carry out the Contract;
- (e) qualifications and experience of key site management and technical personnel proposed for the Contract;
- (f) reports on the financial standing of the Bidder, such as profit and loss statements and auditor's reports for the past five years;
- (g) evidence of adequacy of working capital for this contract (access to line(s) of credit and availability of other financial resources)
- (h) authority to seek references from the Bidder's bankers;
- (i) information regarding any litigation, current or during the last five years, in which the Bidder is involved, the parties concerned, and disputed amount;
- (j) proposals for subcontracting components of the Works amounting to more than 10 percent of the Bid Price (for each, the qualifications and experience of the identified sub-contractor in the relevant field should be annexed); and
- (k) the proposed methodology and program of construction, backed with equipment planning and deployment, duly supported with broad calculations and quality control procedures proposed to be adopted, justifying their capability of execution and completion of the work as per technical specifications within the stipulated period of completion as per *milestones (for all contracts over Rs. 10M)*

4.4 A. To qualify for award of the contract, each bidder in its name should have in the last five years i.e.....*

- (a) achieved a minimum annual financial turnover of (in all classes of civil Nodal Officer or his nominee project / construction works only) of Rs.....@ in any one year *(usually not less than two and a half times of the estimated annual payments under the contract)*;
- (b) satisfactorily completed (not less than 75% of contract value), as a prime contractor at least one similar work of value not less than Rs.....@ *(usually not less than 50% of estimated value of contract)*;
- (c) executed in any one year, the following minimum quantities of work:
 - cement concrete (including RCC and PSC)cum
 - earthwork in both excavation and embankment
(combined quantities)cum
 -cum
 -cum

(usually 80% of the expected peak rate of construction)

- (d) The Bidder or his identified sub-contractor should possess required valid electrical license for executing the building electrification works and should have executed similar electrical works totalling Rupees.....@** in any one year.
- (e) The Bidder should have minimum Grade , under CIDC- ICRA grading scheme.
- (f) The contractor or his identified sub-contractor should possess required valid license for executing the water supply/sanitary Nodal Officer or his nominee works and should have executed similar water supply sanitary Nodal Officer or his nominee works totalling Rupees.....*** in any one year.

* *Specify the financial years; they should be those immediately preceding the financial year which the bids are received*

** *The financial year in which bids are received.*

*** *at least 50% of the estimated value of electrical/water supply works*

@ *at_____** price level, Financial turnover and cost of completed works of previous years shall be given weightage of 10% per year to bring them to_____price level***

B. Each bidder should further demonstrate:

- (a) availability (either owned or leased or by procurement against mobilization advances) of the following key and critical equipment for this work:

-
-
-
-

(NOTE: To be included for bids valued over Rs.10 million only)

Based on the studies, carried out by the Nodal Officer or his nominee the minimum suggested major equipment to attain the completion of works in accordance with the prescribed construction schedule are shown in the above list.

The bidders should, however, undertake their own studies and furnish with their bid a detailed construction planning and methodology supported with layout and necessary drawings and calculations (detailed) as stated in clause 4.3(k) above to allow the employer to review their proposals. The numbers, types and capacities of each plant/equipment shall be shown in the proposals along with the cycle time for each operation for the given production capacity to match the requirements.

- (b) availability for this work of a Project Manager with not less than five years experience in implementation/construction of similar civil Nodal Officer or his nominee works and other key personnel with adequate experience as required; and
- (c) liquid assets and/or availability of credit facilities of not less than Rs.....million.

(Credit lines/letter of credit/certificates from Banks for meeting the funds requirements etc. - usually the equivalent of the estimated cash flow for 3 months in peak construction period.)

- 4.5 C. **To qualify for a package of contracts made up of this and other contracts for which bids are invited in the IFB**, the bidder must demonstrate having experience and resources sufficient to meet the aggregate of the qualifying criteria for the individual contracts.

- 4.6 Sub-contractors' experience and resources shall not be taken into account in determining the bidder's compliance with the qualifying criteria except to the extent stated in 4.4 (A) above.
- 4.7 Bidders who meet the minimum qualification criteria will be qualified only if their available bid capacity is more than the total bid value. The available bid capacity will be calculated as under:-

Assessed Available Bid capacity = $A \times N \times 2 - B$, where

'N' = Number of years prescribed for completion of the subject contract.

'A' = maximum value of works executed in any one year during last five years (at current price level).

'B' = Value at current price level of existing commitments and on going works to be completed in the next 'N' years.

Note: The Bidder shall furnish statements showing the value of existing commitments and on-going works as well as the stipulated period of completion remaining for each of the works preferably countersigned by the Nodal Officer or his nominee - in - charge.

- 4.8 Even though the bidders meet the above qualifying criteria, they are subject to be disqualified if they have:
- made misleading or false representations in the forms, statements and attachments submitted in proof of the qualification requirements; and/or
 - record of poor performance such as abandoning the works, not properly completing the contract, inordinate delays in completion, litigation history, or financial failures etc., and/or

5. **One Bid per Bidder**

- 5.1 Each bidder shall submit only one bid for one package. A bidder who submits or participates in more than one Bid (other than as a subcontractor or in cases of alternatives that have been permitted or requested) will cause all the proposals with the Bidder's participation to be disqualified.

6. Cost of Bidding

- 6.1 The bidder shall bear all costs associated with the preparation and submission of his Bid, and the Employer will in no case be responsible and liable for those costs.

7. Site visit

- 7.1 The Bidder, at the Bidder's own responsibility and risk is encouraged to visit and examine the Site of Works and its surroundings and obtain all information that may be necessary for preparing the Bid and entering into a contract for construction of the Works. The costs of visiting the Site shall be at the Bidders' own expense.

B. BIDDING DOCUMENTS

8. Content of Bidding Documents

- 8.1 The set of bidding documents comprises the documents listed in the table below and addenda issued in accordance with Clause 10:

		Invitation for Bids (IFB)
Section1	1	Instructions to Bidders
	2	Forms of Bid and Qualification Information
	3	Conditions of Contract
	4	Contract Data
	5	Specifications
	6	Drawings
	7	Bills of Quantities
	8	Forms of Securities

- 8.2 Of the three sets of the bidding documents supplied, two sets should be completed and returned with the bid.

9. Clarification of the Bidding Documents

- 9.1 A prospective bidder requiring any clarification of the bidding documents may notify the employer in writing or by cable (hereinafter "cable" includes telex and facsimile) at the Employer's address indicated in the invitation to bid. The Employer will respond to any request for clarification which he received earlier than 15 days prior to the deadline for submission of bids. Copies of the Employer's response will be forwarded to all purchasers of the bidding documents, including a description of the enquiry but without identifying its source.

9.2 Pre-bid meeting

- 9.2.1 The bidder or his official representative is invited to attend a pre-bid meeting which will take place at_____ (address of venue) on_____ (time and date).
- 9.2.2 The purpose of the meeting will be to clarify issues and to answer questions on any matter that may be raised at that stage.
- 9.2.3 The bidder is requested to submit any questions in writing or by cable to reach the Employer not later than one week before the meeting.
- 9.2.4 Minutes of the meeting, including the text of the questions raised (without identifying the source of enquiry) and the responses given will be transmitted without delay to all purchasers of the bidding documents. Any modification of the bidding documents listed in Sub-Clause 8.1 which may become necessary as a result of the pre-bid meeting shall be made by the Employer exclusively through the issue of an Addendum pursuant to Clause 10 and not through the minutes of the pre-bid meeting.
- 9.2.5 Non-attendance at the pre-bid meeting will not be a cause for disqualification of a bidder.

10. Amendment of Bidding Documents

- 10.1 Before the deadline for submission of bids, the Employer may modify the bidding documents by using addenda.
- 10.2 Any addendum thus issued shall be part of the bidding documents and shall be communicated in writing or by cable to all the purchasers of the bidding documents. Prospective bidders shall acknowledge receipt of each addendum by cable to the Employer.
- 10.3 To give prospective bidders reasonable time in which to take an addendum into account in preparing their bids, the Employer shall extend as necessary the deadline for submission of bids, in accordance with Sub-Clause 20.2 below.

C. PREPARATION OF BIDS

11. Language of the Bid

- 11.1 All documents relating to the bid shall be in the English language.

12. Documents comprising the Bid

12.1 The bid submitted by the bidder shall comprise the following:

- (a) The Bid (in the format indicated in Section 2)
- (b) Bid Security
- (c) Priced Bill of Quantities
- (d) Qualification Information Form and Documents

and any other materials required to be completed and submitted by bidders in accordance with these instructions. The documents listed under Sections 2,4 and 7 of Sub-Clause 8.1 shall be filled in without exception.

13. Bid Prices

13.1 The contract shall be for the whole works as described in Sub-Clause 1.1, based on the priced Bill of Quantities submitted by the Bidder. 13.2 The bidder shall fill in rates and prices for all items of the Works described in the Bill of Quantities. *Items for which no rate or price is entered by the bidder will not be paid for by the Employer when executed and shall be deemed covered by the other rates and prices in the Bill of Quantities.* Corrections, if any, shall be made by crossing out, initialing, dating and rewriting.

13.3 All duties, taxes, and other levies payable by the contractor under the contract, or for any other cause shall be included in the rates, prices and total Bid Price submitted by the Bidder.

13.4*The rates and prices quoted by the bidder shall be fixed for the duration of the Contract and shall not be subject to adjustment on any account.

OR

13.4*The rates and prices quoted by the bidder are subject to adjustment during the performance of the Contract in accordance with the provisions of Clause 47 of the Conditions of Contract.

14. Currencies of Bid and Payment

14.1 The unit rates and the prices shall be quoted by the bidder entirely in Indian Rupees.

15. Bid Validity.

15.1 Bids shall remain valid for a period not less than twenty eight days after the deadline date for bid submission specified in Clause 20. A bid valid for a shorter period shall be rejected by the Employer as non-responsive.

15.2 In exceptional circumstances, prior to expiry of the original time limit, the Employer may request that the bidders may extend the period of validity for a specified additional period. The request and the bidders' responses shall be made in writing or by cable. A bidder may refuse the request without forfeiting his bid security. A bidder agreeing to the request will not be required or permitted to modify his bid except as provided in 15.3 hereinafter, but will be required to extend the validity of his bid security, or a period of the extension, and in compliance with Clause 16 in all respects.

15.3 In the case of contracts in which the Contract Price is fixed (not subject to price adjustment), in the event that the Employer requests and the Bidder agrees to an extension of the validity period, the contract price, if the Bidder is selected for award shall be the bid price corrected as follows:

The price shall be increased by the factor (value of factor β)¹ for each week or part of a week that has elapsed from the expiration of the initial bid validity to the date of issue of letter of acceptance to the successful Bidder.

15.4 Bid evaluation will be based on the bid prices without taking into consideration the above correction

* Choose one and delete the other.

1 The value of β is based on the country's projected inflation for the period in question. The Employer inserts the value in the bid documents prior to issue.

16 Bid Security (Earnest Money – EM)

16.1 The Bidder shall furnish, as part of his Bid, a Bid Security in the amount as shown in column 4 of the table of IFB for this particular work. This bid security shall be in favour of.....and may be in one of the following forms:

- a bank guarantee issued by a nationalised/scheduled bank located in India or a foreign Bank located in India and acceptable to the Employer in the form given in Section 8 or another form acceptable to the Employer, or
- Certified cheque or Bank draft in favour of payable at.....
-
-

16.2 Bank guarantees (and other instruments having fixed validity) issued as surety for the bid shall be valid for 28 days beyond the validity of the bid.

16.3 Any bid not accompanied by an acceptable Bid Security and not secured as indicated in Sub-Clauses 16.1 and 16.2 above shall be rejected by the Employer as non-responsive.

16.4 The Bid Security of unsuccessful bidders will be returned within 28 days of the end of the bid validity period specified in Sub-Clause 15.1.

16.5 The Bid Security of the successful bidder will be discharged after he has signed the Agreement and furnished the required Performance Security.

16.6 The Bid Security may be forfeited, if

- (a) the Bidder withdraws the Bid after Bid opening during the period of Bid Validity;
- (b) the Bidder does not accept the correction of the Bid Price, pursuant to Clause 27; or
- (c) the successful Bidder fails within the specified time limit to
 - (i) sign the Agreement or
 - (ii) furnish the required Performance Security.

17 Alternative Proposals by Bidders

17.1 Bidders shall submit offers that comply with the requirements of the bidding documents, including the basic technical design as indicated in the drawing and specifications. Alternatives will not be considered.

18. Format and Signing of Bid

- 18.1 The Bidder shall prepare one original and one copy of the documents comprising the bid as described in Clause 12 of these Instructions to Bidders, bound with the volume containing the Form of Bid, and clearly marked '**ORIGINAL**' and '**COPY**' as appropriate. In the event of discrepancy between them, the original shall prevail.
- 18.2 The original and copy of the Bid shall be typed or written in indelible ink and shall be signed by a person or persons duly authorised to sign on behalf of the Bidder, pursuant to Sub-Clauses 4.3. All pages of the bid where entries or amendments have been made shall be initialled by the person or persons signing the bid.
- 18.3 The Bid shall contain no alterations or additions, except those to comply with instructions issued by the Employer, or as necessary to correct errors made by the bidder in which case such corrections shall be initialled by the person or persons signing the bid.

D. SUBMISSION OF BIDS

19. Sealing and Marking of Bids

- 19.1 a) The Bid shall be submitted in two separate sealed envelopes duly marked Envelope 1 and Envelope 2. The Envelope 1 will contain Employer's Bid documents (other than priced BOQ) which will be submitted under formal forwarding letter in standard printed form addressed to the Employer inter alia containing an undertaking that the Bid does not contain any amendment, modification or change of any type whatsoever in the Bid documents and to any amendment issued after pre-bid meeting. The Envelope 2 will contain priced BOQ only giving the unit price and amount against each item with grand total at the end in figures and in words.
- 19.1 b) The Bidder shall seal the original and copy of the Bid in separate envelopes (Envelope 1 & II), duly marking the envelopes as "**ORIGINAL**" and "**COPY**" (Envelope I & II).
- 19.2 The envelopes shall
- (a) be addressed to Employer at the following address:
-
-
- (insert address of office for bid submission), and

(b) bear the following identification:

- Bid for.....[name of contract]
- Bid Reference No.....[insert number]
- DO NOT OPEN BEFORE.....[time and date for bid opening, per Clause 23]
- ORIGINAL/COPY
- Name and address of the bidder.

19.3 If the outer envelopes are not sealed and marked as above, the Employer will assume no responsibility for the misplacement or premature opening of the bid.

20. Deadline for Submission of the Bids

20.1 Bids must be received by the Employer at the address specified above not later than.....* In the event of the specified date for the submission of bids being declared a holiday by the Employer, the Bids will be received upto the appointed time on the next working day.

20.2 The Employer may extend the deadline for submission of bids by issuing an amendment in accordance with Clause 10, in which case all rights and obligations of the Employer and the bidders previously subject to the original deadline will then be subject to the new deadline.

21 Late Bids

21.1 Any Bid received by the Employer after the deadline prescribed in Clause 20 will be returned unopened to the bidder.

22 Modification and Withdrawal of Bids

22.1 Bidders may modify or withdraw their bids by giving notice in writing before the deadline prescribed in Clause 20.

22.2 Each Bidder's modification or withdrawal notice shall be prepared, sealed, marked, and delivered in accordance with Clauses 18&19, with the outer and inner envelopes additionally marked "**MODIFICATION**" or "**WITHDRAWAL**" as appropriate.

22.3 No bid may be modified after the deadline for submission of Bids.

22.4 Withdrawal or modification of a Bid between the deadline for submission of bids and the expiration of the original period of bid validity in Clause 15.1 above or as extended pursuant to Clause 15.2 may result in the forfeiture of the Bid security pursuant to Clause 16.

22.5 Bidders may only offer discounts to, or otherwise modify the prices of their Bids by submitting Bid modifications in accordance with this clause or included in the original Bid submission.

**Insert time and date; this should be the same as those given in the Invitation for Bids.*

E. BID OPENING AND EVALUATION

23. Bid Opening

23.1 On the due date and appointed time as specified in clause 20, the Employer will first open envelopes 1(original) of all bids received (except those received late) including modifications made pursuant to clause 22 in presence of the Bidders or their representatives who choose to attend. In the event of the specified date for Bid opening being declared a holiday by the Employer, the Bids will be opened at the appointed time and location on the next working day.

23.2 Envelopes marked “**WITHDRAWAL**” shall be opened and read out first. Bids for which an acceptable notice of withdrawal has been submitted pursuant to Clause 22 shall not be opened.

23.3 If all Bidders have submitted unconditional Bids together with requisite Bid security, then all Bidders will be so informed then and there. If any Bid contains any deviation from the Bids documents and /or if the same does not contain Bid security in the manner prescribed in the Bid documents, then that Bid will be rejected and the Bidder informed accordingly. The sealed envelopes 2 (original and copy) containing priced BOQ will be returned to him without opening. All other valid Bids shall be opened on the same day after one hour from declaring the results of Envelope 1. The Bidder’s name, the Bid prices, the total amount of each Bid and of any alternative Bid (if alternatives have been requested or permitted), any discounts, Bid modifications and withdrawals, and such other details as the Employer may consider appropriate, will be announced by the Employer at the opening. Any bid price, discount, or alternative Bid price which is not read out and recorded at Bid opening, will not be taken into account in Bid evaluation

23.4 The Employer shall prepare minutes of the Bid opening, including the information disclosed to those present in accordance with Sub-Clause 23.3 and the minutes shall form part of the contract.

24. The Bidders shall abide by the provisions of the minutes.

25. Clarification of Bids

25.1 To assist in the examination and comparison of Bids, the Employer may, at his discretion, ask any Bidder for clarification of his Bid, including breakdown of unit rates. The request for clarification and the response shall be in writing or by cable, but no change in the price or substance of the Bid shall be sought, offered, or permitted except as required to conform the correction of arithmetic errors discovered by the Employer in the evaluation of the Bids in accordance with Clause 27.

25.2 Subject to sub-clause 25.1, no Bidder shall contact the Employer on any matter relating to his bid from the time of the bid opening to the time the contract is awarded. If the Bidder wishes to bring additional information to the notice of the Employer, he should do so in writing.

25.3 Any effort by the Bidder to influence the Employer's bid evaluation, bid comparison or contract award decisions, may result in the rejection of his bid.

26. Examination of Bids and Determination of Responsiveness

26.1 Prior to detailed evaluation of Bids, the Employer will determine whether each Bid (a) meets the eligibility criteria defined in Clause 3 (b) has been properly signed by an authorised signatory (accredited representative) holding Power of Attorney in his favour. The Power of Attorney shall inter alia include a provision to bind the Bidder to settlement of disputes clause; (c) is accompanied by the required Bid security and; (d) is responsive to the requirements of the Bidding documents.

26.2 A responsive Bid is one which conforms to all the terms, conditions and specification of the Bidding documents, without material deviation or reservation. A material deviation or reservation is one (a) which affects in any substantial way the scope, quality or performance of the Works; (b) which limits in any substantial way, the Employer's rights or the Bidder's obligations under the Contract; or (c) whose rectification would affect unfairly the competitive position of other Bidders presenting responsive Bids.

26.3 If a Bid is not substantially responsive, it will be rejected by the Employer, and may not subsequently be made responsive by correction or withdrawal of the non-conforming deviation or reservation.

27. Correction of Errors

27.1 Bids determined to be responsive will be checked by the Employer for any arithmetic errors. Errors will be corrected by the Employer as follows:

- (a) Where there is a discrepancy between the rates in figures and in words, the rate in words will govern; and
- (b) where there is a discrepancy between the unit rate and the line item total resulting from multiplying the unit rate by the quantity, the unit rate as quoted will govern.

27.2 The amount stated in the Bid will be adjusted by the Employer in accordance with the above procedure for the correction of errors and, with the concurrence of the Bidder, shall be considered as binding upon the bidder. If the Bidder does not accept the corrected amount the Bid will be rejected, and the Bid security may be forfeited in accordance with Sub-Clause 16.6(b).

28. BLANK (for any other provisions)

29 Evaluation and Comparison of Bids

29.1 The Employer will evaluate and compare only the Bids determined to be responsive in accordance with Clause 26.

29.2 In evaluating the Bids, the Employer will determine for each Bid the evaluated Bid Price by adjusting the Bid Price as follows:

- (a) making any correction for errors pursuant to Clause 27;
- (b) making appropriate adjustments to reflect discounts or other price modifications offered in accordance with Sub Clause 22.5

29.3 The Employer reserves the right to accept or reject any alternative offer. Alternative offers and other factors which are in excess of the requirements of the Bidding documents or otherwise result in unsolicited benefits for the Employer shall not be taken into account in Bid evaluation.

- 29.4 The estimated effect of the price adjustment conditions under Clause 47 of the Conditions of Contract, during the period of implementation of the Contract, will not be taken into account in Bid evaluation.
- 29.5 If the Bid of the successful Bidder is seriously unbalanced in relation to the Nodal Officer or his nominee's estimate of the cost of work to be performed under the contract, the Employer may require the Bidder to produce detailed price analyses for any or all items of the Bill of Quantities, to demonstrate the internal consistency of those prices with the implementation/construction methods and schedule proposed.
- 30.0 Requirement of submission of analysis by the contractor should be complied and submitted to the Nodal officer or his nominee within the stipulated time fixed by the Nodal officer or his nominee failing which the bid would be treated as non responsive.

F. AWARD OF CONTRACT

31. Award Criteria

- 31.1 The Employer will award the Contract to the Bidder whose Bid has been determined to be responsive to the Bidding documents and who has offered the lowest evaluated Bid Price, provided that such Bidder has been determined to be (a) eligible in accordance with the provisions of Clause 3, and (b) qualified in accordance with the provisions of Clause 4.
- 31.2 The Employer shall award the contract within 15 days of the opening of the priced bids.
32. The notification of award shall be according to the provisions of Clause 33 onward.

33 Notification of Award and Signing of Agreement.

- 33.1 The Bidder whose Bid has been accepted will be notified of the award by the Employer prior to expiration of the Bid validity period by cable, telex or facsimile confirmed by registered letter. This letter (hereinafter and in the Conditions of Contract called the "letter of Acceptance") will state the sum that the Employer will pay the Contractor in consideration of the execution, completion and maintenance of the Works by the Contractor as prescribed by the Contract (hereinafter and in the Contract called the " Contract Price").

33.2 The notification of award will constitute the formation of the Contract subject only to the furnishing of a performance security in accordance with the provisions of Clause 34.

33.3 The Agreement will incorporate all correspondence between the Employer and the successful Bidder. It will be signed by the Employer and sent to the successful Bidder within 28 days following the notification of award along with the Letter of Acceptance. Within 21 days of receipt, the successful Bidder will furnish the performance security and sign the Agreement with the Employer.

33.4 Upon the furnishing by the successful Bidder of the Performance Security, the Employer will promptly notify the other Bidders that their Bids have been unsuccessful and release their Bid security.

34. Performance Security

34.1 Within 28 days of receipt of the Letter of Acceptance, the successful Bidder shall deliver to the Employer a Performance Security in any of the forms given below for an amount equivalent to 5% of the Contract price.

- a bank guarantee in the form given in Section 8; or
- Govt securities, FDR or any other form of deposit stipulated by Employer
- _____

34.2 If the performance security is provided by the successful Bidder in the form of a Bank Guarantee, it shall be issued either (a) at the Bidder's option, by a Nationalised/Scheduled Indian bank or (b) by a foreign bank located in India and acceptable to the Employer.

34.3 Failure of the successful Bidder to comply with the requirements of Sub-Clause 34.1 shall constitute sufficient grounds for cancellation of the award of work and forfeiture of the Bid Security.

35. Advance Payment and Security

35.1 The Employer will provide an Advance Payment on the Contract Price as stipulated in the Conditions of Contract, subject to maximum amount, as stated in the Contract Data.

36. Conciliator

36.1 The Employer proposes that CIDC – SIAC Arbitration Center be appointed as conciliator under the Contract, at a daily fee of Rs..... plus reimbursable expenses. If the Bidder disagrees with this proposal, the Bidder should so state in the Bid. If in the Letter of Acceptance, the Employer has not agreed to the appointment of the conciliator, the conciliator shall be appointed by..... [name of Appointing Authority] @ at the request of either party.

37. Corrupt or Fraudulent Practices

37.1 The Employer requires that Bidders/Suppliers/Contractors under this contract, observe the highest standard of ethics during the procurement and execution of this contract. In pursuance of this policy, the Employer:

- (a) defines, for the purpose of these provisions, the terms set forth below as follows:
 - (i) “corrupt practice” means the offering, giving, receiving or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution; and
 - (ii) “fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Employer, and includes collusive practice among Bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the Employer of the benefits of free and open competition.
- (b) will reject a proposal for award of work if he determines that the Bidder recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question.
- (c) will declare a Bidder ineligible, either indefinitely or for a stated period of time, to be awarded a contract/contracts if he at any time determines that the Bidder has engaged in corrupt or fraudulent practices in competing for, or in executing, the contract.

37.2 Furthermore, Bidders shall be aware of the provision stated in sub-clause 23.2 and sub-clause 59.2 of the Conditions of Contract.

SECTION 2:

FORMS OF BID, QUALIFICATION INFORMATION AND LETTER OF ACCEPTANCE

TABLE OF FORMS

- **CONTRACTOR'S BID**
- **QUALIFICATION INFORMATION**
- **LETTER OF ACCEPTANCE**
- **NOTICE TO PROCEED WITH THE WORK**
- **AGREEMENT FORM**

CONTRACTOR'S BID

Description of the Works _____

_____1

BID

To _____(the Employer)
Address _____
_____2

GENTLEMEN,

We offer to execute the Works described above in accordance with the Conditions of Contract accompanying this Bid for the Contract Price of _____(in figures)
_____(in letters)3

The advance payment required is Rupees_____

We accept the appointment of _____as
the conciliator

(OR)

We do not accept the appointment of _____as the conciliator and propose instead that _____be appointed as conciliator whose daily fees and biographical data are attached.

This bid and your written acceptance of it shall constitute a binding contract between us. We understand that you are not bound to accept the lowest or any Bid you receive.

We undertake that, in competing for (and, if the award is made to us, in executing) the above contract, we will strictly observe the laws against fraud and corruption in force in India namely " Prevention of Corruption Act 1988"

We hereby confirm that this Bid complies with the Bid Validity and Bid Security required by the Bidding documents.

We attach herewith our valid income-tax clearance certificate.

Yours faithfully,

Authorised Signature:

Name & Title of Signatory : _____

Name of Bidder : _____

Address : _____

Notes:

1. To be filled in by the Employer before issue of the Bidding Decrements.
2. To be filled in by the Employer before issue of the Bidding Documents.
3. To be filled in by the Bidder, together with his particulars and date of submission at the bottom of the form of Bid.

INFORMATION REGARDING QUALIFICATION OF BIDDERS

The information to be filled in by the Bidder in the following pages will be used for purposes of post qualification as provided for in Clause 4 of the Instructions to Bidders. This information will not be incorporated in the Contract.

1. For Individual Bidders

1.1. Constitution or legal status of Bidder (*Attach copy*)

....

☐ Place of registration: _____

.....

☐ Principal of place of business _____

☐ (Power of attorney of signatory of Bid (*Attach*)

1.2.

(in Rs. Million)

Particular	Year	Value
Total value of Civil (along with the Nodal Officer or his nominee) work implementation/ construction work performed in the last five years **	2000-01	
	2001-02	
	2002-03	
	2003-04	
	2004-05	

1.3.1 Work performed as prime contractor(in the same name) on works of a similar nature over the last five years. * *

Project Name	Name of Employer	Description of work	Contract No.	Value of Value of (Rs. Million)	Dt/of issue of work order	Stipulated period of completion	Actual date of completion	Remark explaining reason for delay and work completed

* Attach Certificate(s) from the Nodal Officer or his nominee(s) in-charge.

** immediately preceding the financial year in which bids are received

Attach certificate from Chartered Accountant.

1.3.2 Quantities of work executed as prime contractor (in the same name and style) in the last five years.**

Year	Name of the work	Quantity of work performed cum@				Remarks
		Concrete	Masonry	E/Work	(including RCC & PCC	Indicate contract Reference
2000-01						
2001-02						
2002-03						
2003-04						
2004-05						

1.4 Information on Bid Capacity(works for which bids have been submitted and works which are yet to be completed) as on the date of this bid.

(A) Existing commitments and on-going works:

Description of work	Place & state	Contract No. & Date	Name and Address of Employer	Value of Contract (Rs. Million)	Stiputed period of completion	Value of remaining to be completed	Anticipated date of completion (Rs. Million)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

(B) Works for which bids already submitted.

Description of work	Place & State	Name and Address of Employer	Stipulated period of completion	Date when decision is expected	Remarks if any
(1)	(2)	(3)	(5)	(6)	(8)

* Attach certificate(s) from the Nodal Officer or his nominee(s) -in-Charge.

1.5 The following items of Contractor's Equipment are essential for carrying out the works. The Bidder should list all the information requested below. Refer also to Sub-Clause .3 (d) of the Instructions to Bidders.

Availability proposals

Item of equipment	Requirement No. Capacity	Owned/leased/to be procured	Nos / Capacity	Age / Condition	Remarks (From whom to be purchased)
	*	*	*	*	* *
	*	*	*	*	* *

- 1.6 Qualifications and experience of key personnel proposed for administration and execution of the Contract. Attach biographical data. Refer also to Sub Clause 4.3 (e) of instructions to Bidders and Sub Clause 9.1 of the Conditions of Contract.

Position	Name	Qualification	Years of experience (general)	Years of experience in the proposed position
Project Manager	*	*	*	*
*	*	*	*	*
*	*	*	*	*
*	*	*	*	*
etc.				

- 1.6(a) Number of certified Trades persons to be employed at the site of Project.

Refer also to sub Clause 4.2 (i) of instruction to Bidders and Sub Clause 9.1 of the conditions of Contract.

- 1.7 Proposed sub-contracts and firms involved { (Refer ITB Clause 4.3 (j)) }

Sections of the works	Value of sub-contract	Sub-contractor (name and address)	Experience in similar work
*	*	*	*
*	*	*	*
*	*	*	*
*	*	*	*

- 1.8. Financial reports for the last five years: balance sheets, profit and loss statements, auditors' reports (in case of companies/ corporation) etc. List them below and attach copies.
- 1.9 Evidence of access to financial resources to meet the qualification requirements: cash in hand, lines of credit, etc. List them below and attach copies of support documents.
- 1.10. Name, address and telephone, telex and fax numbers of the Bidders' bankers who may provide references if contacted by the Employer

1.11 Information on litigation history in which the Bidder is involved.

Other party(ies)	Employer	Cause of dispute	Amount	Remarks involved showing present status.

1.12 Statement of compliance under the requirements of Sub Clause 3.2 of the instructions to Bidders.

1.13 Proposed work method and schedule. The Bidder should attach descriptions, drawings and charts as necessary to comply with the requirements of the Bidding documents. [Refer ITB Clause 4.1. and 4.3 (k)]

2. blank.

3 Additional Requirements

3.1 Bidders should provide any additional information required to fulfil the requirements of Clause 4 of the Instructions to the Bidders, if applicable.

LETTER OF ACCEPTANCE

(On letterhead paper of the Employer)

_____ (date)

To: _____ (name
and address of the Contractor)

Dear Sirs,

This is to notify you that your Bid dated _____ for execution of the
_____ (name
of the contract and identification number, as given in the Instructions to Bidders) for the
Contract Price of Rupees _____ (amount
in words and figures as corrected and modified in accordance with the Instructions to
Bidders is hereby accepted by our Agency.

We accept /do not accept that _____ be appointed
as the Conciliator 2

You are hereby requested to furnish Performance Security, in the form detailed in
para 34.1 of ITB for an amount of Rs. _____ within 21 days of the receipt of this letter
of acceptance valid upto 28 days from the date of expiry of taking over certificate subject
to removal of defects Period i.e. upto _____ and sign the contract, failing which action
as stated in para 34.3 of ITB will be taken.

Please acknowledge receipt.

Yours faithfully,

Authorised Signature

Name and Title of Signatory

Name of Agency.

1. Delete “corrected and “ or “ and modified” if only one of these actions applies. Delete
“as corrected and modified in accordance with the Instructions to Bidders” if correc-
tions or modifications have not been effected.

ISSUE OF NOTICE TO PROCEED WITH THE WORKS

(letterhead of the Employer)

_____dated

To

_____ (name and address of the Contractors)

Dear Sirs,

Pursuant to your furnishing the requisite security as stipulated in ITB clause 34.1 and signing of the contract for the implementation/construction of _____ a Bid Price of Rs. _____ you are hereby instructed to proceed with the execution of the said works in accordance with the contract documents.

Yours faithfully

(Signature, name and title of
signatory authorised to sign on
behalf of Employer)

AGREEMENT FORM

Agreement

This agreement made the _____ day of _____ to
_____ between _____
_____ (name and address of Employer) (hereinafter called “the
Employer”) and _____
_____ (name and address of contractor) (hereinafter called “the Contractor” of the other party).

Whereas the Employer is desirous that the Contractor executes

_____ (name and identification number of Contract) (hereinafter called “the Works”) and
the Employer has accepted the Bid by the Contractor for the execution and completion of
such Works and the remedying of any defects therein, at a contract price of
Rs.....

NOW THIS AGREEMENT WITNESSETH as follows:

1. In this Agreement, words and expression shall assume the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to and they shall be deemed to form and be read and construed as part of this Agreement.
2. In consideration of the payments to be made by the Employer to the Contractor as hereinafter mentioned, the Contractor hereby covenants with the Employer to execute and complete the Works and remedy the defects therein in conformity in all aspects with the provisions of the Contract.
3. The Employer hereby covenants to pay the Contractor in consideration of the execution and completion of the Works and in the remedying the defects wherein the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.
4. The following documents shall be deemed to form and be read and construed as part of this Agreement, Viz:
 - i) Letter of Acceptance;
 - ii) Notice to proceed with the works;

- iii) Contractor's Bid
- iv) Contract Data;
- v) Conditions of contract (including Special Conditions of Contract);
- vi) Specifications;
- vii) Drawings;
- viii) Bill of Quantities; and
- ix) Any other documents listed in the Contract Data as forming part of the contract.

In witness whereof the parties have caused this Agreement to be executed the day and year first before written.

The Common Seal of _____

was hereunto affixed in the presence of:

Signed Sealed and Delivered by the said _____

Binding Signature of Employer _____

Binding Signature of Contractor _____

in the presence of

SECTION 3

CONDITIONS OF CONTRACT

TABLE OF CONTENTS

	Page No.		Page No.
A General		24 Disputes	58
1. Definitions	50	25 Settlement of Disputes	58
2. Interpretation	52	26 Replacement of Conciliator	61
3. Language and Law	53	B. Time Control	62
4. Nodal Officer or his nominee's Decisions	53	27 Program	62
5. Delegation	53	28 Extension of the Intended Completion Date	62
6. Communications	53	29 Early warning provisions	63
7. Subcontracting	54	30 Delay Ordered by Nodal Officer or his nominee	63
8. Other Contractors	54	31 Management Meetings	63
9. Personnel	54	32 Early warning	63
10. Employer's & Contractors Risks	54	C Quality Control	
11. Employer's Risks	54	33 Identifying Effects	64
12. Contractor's Risks	56	34 Tests	64
13. Insurance	56	35 Correction of Defects	64
14. Site Investigation Reports	56	36 Uncorrected Defects	64
15. Queries about the Contract Data	57	D Cost Control	
16. Contractor to Construct the works	57	37 Bill of Quantities	65
17. The works to be completed by the Indented Completion Date	57	38 Changes in the Quantities	65
18. Approval by the Nodal Officer or his nominee	57	39 Variations	65
19. Safety	57	40 Payments for Variation	65
20. Discoveries	57	41 Cash Flow Forecasts	66
21. Possession of the Site	58	42 Payment Certificates	66
22. Access to the Site	58	43 Payments	67
23. Instructions	58	44 Compensation Events	68
		45 Tax	69

46	Currencies	69	56	Taking Over	74
47	Price Adjustment	69	57	Final Account	74
48	Retention	71	58	Operating and Maintenance	75
49	Liquidated Damages	71		Manuals	
50	Bonus for early completion	72	59	Termination	76
51	Advance Payment	72	60	Payment upon Termination	76
52	Securities	73	61	Property	77
53	BLANK	73	62	Release from Performance	77
54	Cost of Repairs	74	63	BLANK	
E	Finishing the Contract		F	Special Conditions of	
55	Completion	74		Contract	77

CONDITIONS OF CONTRACT

A. General

1 Definitions

- 1.1 Terms which are defined in the Contract Data are not also defined in the Conditions of Contract but keep their defined meanings. Capital initials are used to identify defined terms.

The Conciliator is the person appointed jointly by the Employer and the Contractor to resolve disputes in the first instance as provided for in Clauses 24 and 25. The names of the Adjudicator is defined in the Contract Data.

Bill of Quantities means the priced and completed Bill of Quantities forming part of the Bid.

Compensation Events are those defined in Clause 44

The **Completion Date** is the date of completion of the Works as certified by the Nodal Officer or his nominee in accordance with Sub Clause 55.1

The **Contract** is the contract between the Employer and the Contractor to execute, complete and maintain the Works. It consists of the documents listed in Clause 2.3 below.

The **Contract Data** defines the documents and other information which comprise the Contract

The **Contractor** is a person or corporate body whose Bid to carry out the Works has been accepted by the Employer.

The **Contractor's Bid** is the completed Bidding documents submitted by the Contractor to the Employer.

The **Contract Price** is the price stated in the letter of acceptance and thereafter as adjusted in accordance with the provisions of the Contract.

Days are calendar days, **months** are calendar months.

A **Defect** is any part of the Works not completed in accordance with the Contract.

The **Defects Liability Period** is the period named in the Contract Data and calculated from the Completion Date.

The **Employer** is the party who will employ the Contractor to carry out the Works.

The **Nodal Officer or his nominee** is the person named in the Contract Data (or any other competent person appointed and notified to the contractor to act in replacement of the Nodal Officer or his nominee) who is responsible for supervising the Contractor, administering the Contract, certifying payments due to the Contractor, issuing and valuing Variations to the Contract, awarding extensions of time and valuing the Compensation Events.

Equipment is the Contractor's machinery and vehicles brought temporarily to the Site to construct the Works.

The **Initial Contract Price** is the Contract Price listed in the Employer's Letter of Acceptance.

The **Intended Completion Date** is the date on which it is intended that the Contractor shall complete the works. The Intended Completion Date is specified in the Contract Data. The Intended Completion Date may be revised only by the Nodal Officer or his nominee by issuing an extension of time.

Material are all supplies, including consumables, used by the contractor for incorporation in the Works.

Plant is any integral part of the Works which is to have mechanical, electrical, electronic or chemical or biological function.

The **Site** is the area defined as such in the Contract Data.

Site Investigation Reports are those which were included in the Bidding documents and are factual interpretative reports about the surface and sub-surface conditions at the site.

Specification means the Specification of the Works included in the Contract and any modification or addition made or approved by the Nodal Officer or his nominee.

The **Start Date** is given in the Contract Data. It is the date when the Contractor shall commence execution of the works. It does not necessarily coincide with any of the Site Possession Date.

A **Subcontractor** is a person or corporate body who has a Contract with the Contractor to carry out a part of the work in the Contract which includes work on the Site.

Temporary Works are works designed, constructed, installed and removed by the Contractor which are needed for construction or installation of the Works.

A **Variation** is an instruction given by the Nodal Officer or his nominee which varies the Works.

The **Works** are what the Contract requires the Contractor to construct, install and turn over to the Employer as defined in the Contract Data.

The **Trained Work Person** are those employed / proposed to be employed by the Contractor at the Project Site, who have participated and are in possession of a valid Competency Certificate through a programme run under the auspices of a University, State Technical Board, Ministry of Government of India.

2. Interpretation

2.1 In interpreting these Conditions of Contract, singular also means plural, male also means female or neuter and the other way around. Headings have no significance. Words have their normal meaning under the language of the Contract unless specifically defined. The Nodal Officer or his nominee will provide instructions clarifying queries about the Conditions of Contract.

2.2 If sectional completion is specified in the Contract Data, references in the Conditions of Contract to the Works, the Completion Date, and the Intended Completion Date apply to any Section of the Works (other than references to the Completion Date and Intended Completion date for the whole of the Works).

2.3 The documents forming the Contract shall be interpreted in the following order of priority:

- (1) Agreement
- (2) Letter of Acceptance and notice to proceed with works

- (3) Contractor's Bid
- (4) Contract Data
- (5) Conditions of Contract including Special Conditions of Contract
- (6) Specifications
- (7) Drawings
- (8) Bill of quantities and
- (9) any other documents listed in the Contract Data as forming part of the Contract.

3 Language and Law

- 3.1 The language of the Contract and the law governing the Contract are stated in the Contract Data.

4 Nodal Officer or his nominee's Decisions

- 4.1 Except where otherwise specifically stated, the Nodal Officer or his nominee will decide contractual matters between the Employer and the Contractor in the role representing the Employer.

5 Delegation

- 5.1 The Nodal Officer or his nominee may delegate any of the duties and responsibilities to other people except to the Conciliator after notifying the Contractor and may cancel any delegation after notifying the Contractor.

6 Communications

- 6.1 Communications between parties which are referred to in the conditions are effective only when in writing. A notice shall be effective only when it is delivered (in terms of Indian Contract Act 1872).

7 Joint Venture

Two or three companies/contractors may jointly unsertake contract/contracts. Each entity would be jointly responsible for completing the task as per the contract.

8 Subcontracting

- 8.1 The Contractor may subcontract with the approval of the Nodal Officer or his nominee but may not assign the Contract without the approval of the Employer in writing. Subcontracting does not alter the Contractor's obligations.

Other Contractors

- 8.2 The Contractor shall co-operate and share the Site with other contractors, public authorities, utilities, and the Employer between the dates given in the Schedule of other contractors. The Contractor shall as referred to in the Contract Data, also provide facilities and services for them as described in the Schedule. The employer may modify the schedule of other contractors and shall notify the contractor of any such modification.

9 Personnel

- 9.1 The Contractor shall employ the key personnel named in the Schedule of Key Personnel as referred to in the Contract Data to carry out the functions stated in the Schedule or other personnel approved by the Nodal Officer or his nominee. The Nodal Officer or his nominee will approve any proposed replacement of Key personnel only if their qualifications, abilities, and relevant experience are substantially equal to or better than those of the personnel listed in the Schedule.
- 9.2 If the Nodal Officer or his nominee asks the Contractor to remove a person who is a member of the Contractor's staff of his work force stating the reasons, the Contractor shall ensure that the person leaves the Site within seven days and has no further connections with the work in the Contract.

10 Employer's and Contractor's Risks

- 10.1 The Employer carries the risks which this Contract states are Employer's risks and the Contractor carries the risks which this Contract states are Contractor's risks.

11 Employer's Risks

- 11.1 The Employers risks are
- (a) in so far as they directly affect the execution of the Works in the country where the Permanent Works are to be executed:

- (i) war and hostilities (whether war be declared or not), invasion, act of foreign enemies;
 - (ii) rebellion, revolution, insurrection, or military or usurped power, or civil war;
 - (iii) ionizing radiations, or contamination by radioactivity from any nuclear fuel, or from any nuclear waste, from the combustion of nuclear fuel, radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
 - (iv) pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds; and
 - (v) riot, commotion or disorder, unless solely restricted to the employees of the Contractor or of his Subcontractors and arising from the conduct of the Works;
 - (vi) floods, tornadoes, earthquakes and landslides
- (b) loss or damage due to the use or occupation by the Employer of any Section or part of the Permanent Works, except as may be provided for in the Contract;
- (c) loss or damage to the extent that it is due to the design of the Works, other than any part of the design provided by the Contractor or for which the Contractor is responsible; and
- (d) any operation of the forces of nature (in so far as it occurs on the Site) which an experienced contractor:
- (i) could not have reasonably foreseen, or
 - (ii) could reasonably have foreseen, but against which he could not reasonably have taken at least one of the following measures:
 - (A) prevent loss or damage to physical property from occurring by taking appropriate measures, or
 - (B) insure against.

12 Contractor's Risks

12.1 All risks of loss of or damage to physical property and of personal injury and death which arise during and in consequence of the performance of the Contract other than the excepted risks are the responsibility of the Contractor.

13 Insurance

13.1 The Contractor shall provide in the joint names of the Employer and the Contractor, insurance cover from the Start Date to the end of the Defects Liability Period, in the amounts and deductibles stated in the Contract Data 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.

13.2 Policies and certificates for insurance shall be delivered by the Contractor to the Nodal Officer or his nominee for the Nodal Officer 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.

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

13.4 Alterations to the terms of an insurance shall not be made without the approval of the Nodal Officer or his nominee.

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

14 Site Investigation Reports

14.1 The Contractor, in preparing the Bid, shall rely on the Site Investigation Report referred to in the Contract Data, supplemented by any information available to the Bidder.

15 Queries about the Contract Data.

15.1 The Nodal Officer or his nominee will clarify queries on the Contract Data.

16 Contractor to Construct the Works.

16.1 The Contractor shall construct and install the Works in accordance with the Specification and Drawings.

17 The Works to Be Completed by the Intended Completion Date.

17.1 The Contractor may commence execution of the Works on the Start Date and shall carry out the Works in accordance with the program submitted by the Contractor as updated with the approval of the Nodal Officer or his nominee, and complete them by the Intended Completion Date.

18 Approval by the Nodal Officer or his nominee.

18.1 The Contractor shall submit Specifications and Drawings showing the proposed Temporary Works to the Nodal Officer or his nominee, who is to approve them if they comply with the specifications and Drawings.

18.2 The Contractor shall be responsible for design of Temporary Works.

18.3 The Nodal Officer or his nominee's approval shall not alter the Contractor's responsibility for design of the Temporary Works.

18.4 BLANK

18.5 All Drawings prepared by the Contractor for the execution of the temporary or permanent Works, are subject to prior approval by the Nodal Officer or his nominee before their use.

19 Safety.

19.1 The Contractor shall be responsible for the safety of all activities on the Site.

20 Discoveries.

20.1 Anything of historical or other interest or of significant value unexpectedly discovered on the Site is the property of the Employer. The Contractor is to notify the Nodal Officer or his nominee of such discoveries and carry out the Nodal Officer or his nominee's instructions for dealing with them.

21 Possession of the Site.

21.1 The Employer shall give possession of all parts of the Site to the Contractor, free from encumbrances. If possession of a part is not given by the date stated in the Contract Data the Employer is deemed to have delayed the start of the relevant activities and this will be a Compensation Event.

22 Access to the Site

22.1 The Contractor shall allow the Nodal Officer or his nominee and any person authorised by the Nodal Officer or his nominee access to the Site to any place where work in connection with the Contract is being carried out or is intended to be carried out and to any place where materials or plant are being manufactured, fabricated and /or assembled for the works.

23 Instructions

23.1 The Contractor shall carry out all instructions of the Nodal Officer or his nominee which comply with the applicable laws where the Site is located.

24. Disputes

24.1 If the Contractor believes that a decision taken by the Nodal Officer or his nominee was either outside the authority given to the Nodal Officer or his nominee by the Contract or that the decision was wrongly taken, the decision shall be referred to the Conciliator within 28 days of the notification of the Nodal Officer or his nominee's decision.

25. Settlement of Disputes

25.1 If a dispute of any kind whatsoever arises between the Employer and the Contractor in connection with, or arising out of the Contract or the execution of the Works, whether during the execution of the Works or after their completion and whether before or after repudiation or after termination of the Contract, including any disagreement by either party with any action, inaction, opinion, instruction, determination, certificate or valuation of the Nodal Officer or his nominee, the matter in dispute shall, in the first place be referred to the Disputes Review Board [DRB] established pursuant to Appendix 1 hereto in case of contracts valuing Rs. 10 crores and above, and for contracts valuing less than Rs. 10 crores, the disputes will firstly be settled by the Conciliator, failing which any party may invoke arbitration clause.

Unless the Contract has already been repudiated or terminated or frustrated the Contractor shall in every case, continue to proceed with the Works with all due diligence and the Contractor and the Employer shall give effect forthwith to every decision of the Nodal Officer or his nominee unless and until the same shall be revised, as hereinafter provided, by the Conciliator or in a Dispute Review Board Recommendation / Arbitral Award.

25.2 Decision by Conciliator

- i) The Conciliator shall give a decision in writing within 28 days of receipt of a notification of a dispute.
- ii) Conciliator shall be paid daily at the rate specified in the Contract Data together with reimbursable expenses of the types specified in the Contract Data and the cost shall be divided equally between the Employer and the Contractor, whatever decision is reached by the conciliator. Either party may refer a decision of the conciliator within 28 days of the conciliator's written decision. If neither party refers the disputes to arbitration within 28 days, the conciliator's decision will be final and binding.

25.3. Arbitration

Any dispute in respect of in respect of contracts where party is dissatisfied by the Conciliator's decision, shall be decided by arbitration as set forth below:

- i) A dispute with Contractor shall be finally settled by arbitration in accordance with the Indian Arbitration and Conciliation Act, 1996, or any statutory amendment thereof. The arbitral tribunal shall consist of 3 arbitrators, one each to be appointed by the Employer and the Contractor, and the third to be appointed by the mutual consent of both the arbitrators, failing which by making a reference to CIDC-SIAC Arbitration Center from their panel.
- ii) Neither party shall be limited in the proceedings before such arbitrators to the evidence or arguments already put before the Nodal Officer or his nominee or the Board, as the case may be, for the purpose of obtaining said recommendations/decision. No such recommendations/decision shall disqualify the Nodal Officer or his nominee or any of the members of the Board, as the case may be, from being called as a witness and giving evidence before the arbitrators or any matter whatsoever relevant to the dispute.

- iii) The reference to arbitration shall proceed notwithstanding that the works shall not then be or be alleged to be complete, provided always that the obligations of the Employer, the Nodal Officer or his nominee and the Contractor shall not be altered by reason of the arbitration being conducted during the progress of the works. Neither party shall be entitled to suspend the works to which the dispute relates, and payment to the Contractor shall be continued to be made as provided by the contract.
- iv) If one of the parties fail to appoint its arbitrators in pursuance of sub-clause [i], within 14 days after receipt of the notice of the appointment of its arbitrator by the other party, then President/Chairman of the nominated Institution shall appoint arbitrator within 14 days of the receipt of the request by the nominated institution. A certified copy of the President's/Chairman's order, making such an appointment shall be furnished to both the parties.
- v) Arbitration proceedings shall be held at, and the language of the arbitration proceedings and that of all documents and communications between the parties shall be 'English'.
- vi) The Arbitration shall be conducted by the experts from the panel of CIDC-SIAC Arbitration Center.
- vii) The decision of the majority of arbitrators shall be final and binding upon both parties. The expenses of the arbitrators as determined by the arbitrators shall be shared equally by the Employer and the Contractor. However, the expenses incurred by each party in connection with the preparation, presentation, etc. of its case prior to, during and after the arbitration proceedings shall be borne by each party itself.
- viii) All arbitration awards shall be in writing and shall state the reasons for the award.
- ix) Performance under the contract shall continue during the arbitration proceedings and payments due to the contractor by the Employer shall not be withheld, unless they are subject matter of the arbitration proceedings.

26. Replacement of Conciliator.

26.1 Should the Conciliator resign or die, or should the Employer and the Contractor agree that the Conciliator is not fulfilling his functions in accordance with the provisions of the Contract. a new Conciliator will be jointly appointed by the Employer and the Contractor. In case of disagreement between the Employer and the Contractor, within 30 days the Conciliator shall be appointed by the Appointing Authorities designated in the Contract Data at the request of either party within 14 days of receipt of such request.

B. TIME CONTROL

27. Program

- 27.1 Within the time stated in the Contract Data the Contractor shall submit to the Nodal Officer or his nominee for approval a Program showing the general methods, arrangements, order, and timing for all the activities in the Works along with monthly cash flow forecast.
- 27.2 An update of the Program shall be a program showing the actual progress achieved on each activity and the effect of the progress achieved on the timing of the remaining work including any changes to the sequence of the activities.
- 27.3 The Contractor shall submit to the Nodal Officer or his nominee, for approval an updated Program at intervals no longer than the period stated in the Contract Data. If the Contractor does not submit an updated Program within this period, the Nodal Officer or his nominee may withhold the amount stated in the Contract Data from the next payment certificate and continue to withhold this amount until the next payment after the date on which the overdue Program has been submitted.
- 27.4 The Nodal Officer or his nominee's approval of the Program shall not alter the Contractor's obligations. The Contractor may revise the Program and submit it to the Nodal Officer or his nominee again at any time. A revised Program is to show the effect of Variations and Compensation Events.

28. Extension of the Intended Completion Date

- 28.1 The Nodal Officer or his nominee shall extend the Intended Completion Date if a Compensation Event occurs or a Variation is issued which makes it impossible for Completion to be achieved by the Intended Completion Date without the Contractor taking steps to accelerate the remaining work and which would cause the Contractor to incur additional cost.
- 28.2 The Nodal Officer or his nominee shall decide whether and by how much to extend the Intended Completion Date within 21 days of the Contractor asking the Nodal Officer or his nominee for a decision upon the effect of a Compensation Event or Variation and submitting full supporting information. If the Contractor has failed to give early warning of a delay or has failed to cooperate in dealing with a delay, the delay by this failure shall not be considered in assessing the new Intended Completion Date.

29. The Early warning provisions shall be as per Clause 32.

30. Delays Ordered by the Nodal Officer or his nominee

30.1 The Nodal Officer or his nominee may instruct the Contractor to delay the start or progress of any activity within the Works.

31. Management Meetings.

31.1 Either the Nodal Officer or his nominee or the Contractor may require the other to attend a management meeting. The business of a management meeting shall be to review the plans for remaining work and to deal with matters raised in accordance with the early warning procedure.

31.2 The Nodal Officer or his nominee shall record the business of management meetings and is to provide copies of his record to those attending the meeting and to the Employer. The responsibility of the parties for actions to be taken is to be decided by the Nodal Officer or his nominee either at the management meeting or after the management meeting and stated in writing to all who attended the meeting.

32. Early Warning

32.1 The Contractor is to warn the Nodal Officer or his nominee at the earliest opportunity of specific likely future events or circumstances that may adversely affect the quality of the work, increase the Contract Price or delay the execution of works. The Nodal Officer or his nominee may require the Contractor to provide an estimate of the expected effect of the event or circumstance on the Contract Price and Completion Date. The estimate is to be provided by the Contractor as soon as reasonably possible.

32.2 The Contractor shall cooperate with the Nodal Officer or his nominee in making and considering proposals for how the effect of such an event or circumstance can be avoided or reduced by anyone involved in the work and in carrying out any resulting instruction of the Nodal Officer or his nominee.

C. QUALITY CONTROL

33. Identify Defects

33.1 The Nodal Officer or his nominee shall check the Contractor's work and notify the Contractor of any Defects that are found. Such checking shall not affect the Contractor's responsibilities. The Nodal Officer or his nominee may instruct the Contractor to search for a Defect and to uncover and test any work that the Nodal Officer or his nominee considers may have a Defect.

34. Tests.

34.1 If the Nodal Officer or his nominee instructs the Contractor to carry out a test not specified in the Specification to check whether any work has a Defect and the test shows that it does the Contractor shall pay for the test and any samples. If there is no Defect the test shall be a Compensation Event.

35. Correction of Defects

35.1 The Nodal Officer or his nominee shall give notice to the Contractor of any Defects before the end of the Defects Liability Period, which begins at Completion and is defined in the Contract Data. The Defects Liability Period shall be extended for as long as Defects remain to be corrected.

35.2 Every time notice of a Defect is given the Contractor shall correct the notified Defect within the length of time specified by the Nodal Officer or his nominee's notice.

36. Uncorrected Defects.

36.1 If the Contractor has not corrected a Defect within the time specified in the Nodal Officer or his nominee's notice the Nodal Officer or his nominee will assess the cost of having the Defect corrected, and the Contractor will pay this amount.

D. COST CONTROL

37. Bill of Quantities

37.1 The Bill of Quantities shall contain items for the construction, supply, installation, testing and commissioning work to be done by the Contractor.

37.2 The Bill of Quantities is used to calculate the Contract Price. The Contractor is paid for the quantity of the work done at the rate in the Bill of Quantities for each item.

38. Changes in the Quantities

38.1 If the final quantity of the work done differs from the quantity in the Bill of Quantities for the particular item by more than ± 25 percent provided the change exceeds $\pm 10\%$ of initial Contract Price, the Nodal Officer or his nominee shall adjust the rate(s), to allow for the change.

38.2 The Nodal Officer or his nominee shall not adjust rates from changes in quantities if thereby the Initial Contract Price is exceeded by more than 15 percent except with the Prior approval of the Employer.

38.3 If requested by the Nodal Officer or his nominee where the quoted rate (s) of any item(s) is abnormally high, the Contractor shall provide the Nodal Officer or his nominee with a detailed cost breakdown of such such rate in the Bill of Quantities.

39. Variations.

39.1 All Variations shall be included in updated Programs produced by the Contractor.

40. Payments for Variations.

40.1 Variation permitted shall not exceed $\pm 25\%$ in quantity of each individual item, and $\pm 10\%$ of the total contract price. Within 14 days of the date of instruction for executing varied work, extra work or substitution, and before the commencement of such work, notice shall be given either (a) by the contractor to the Employer of his intention to claim extra payment or a varied rate or price, or (b) by the Employer to the contractor of his intention to vary rate or price.

40.2 For items not existing in the Bill of Quantities or substitution to items in the Bill of Quantities, rate payable should be determined by methods given below and in the order given below :

- i) Rates and prices in Contract, if applicable plus escalation as per contract
- ii) Rates and prices in the Schedule of Rates applicable to the Contract plus ruling percentage.
- iii) Market rates of materials and labor, hire charges of plant and machinery used, plus 10% for overheads and profits of contractor.

40.3 For items in the Bill of Quantities but where quantities have increased beyond the variation limits, the rate payable for quantity in excess of the quantity in the Bill of Quantity plus the permissible variation should be :

- i) Rates and prices in contract, if reasonable plus escalation, failing which (ii) and (iii) below will apply
- ii) Rates and prices in the schedule of Rates applicable to the contract plus ruling percentage.
- iii) Market rates of material and labor, hire charges of plant and machinery used plus 10% for overheads and profits of contractor.

40.4 If there is delay in the Employer and the contractor coming to an agreement on the rate of an extra item, rates as proposed by the Employer shall be payable provisionally till such time as the rates are finally determined or till date——mutually agreed).

40.5 If the Nodal Officer or his nominee decides that the urgency of varying the work prevent a quotation being given and considers not delaying the work, no quotation shall be given and the Variation shall be treated as a Compensation Event.

41. Cash flow forecasts.

41.1 When the Program is updated, the contractor is to provide the Nodal Officer or his nominee with an updated cash flow forecast.

42. Payment Certificates.

42.1 The Contractor shall submit to the Nodal Officer or his nominee monthly statements of the estimated value of the work completed less the cumulative amount certified previously.

- 42.2 The Nodal Officer or his nominee shall check the Contractors' monthly statement within 14 days and certify the amount to be paid to the Contractor after taking into account any credit or debit for the month in question in respect of materials for the works in the relevant amounts and under conditions set forth in sub-clause 51(3) of the Contract Data (Secured Advance).
- 42.3 The value of work executed shall be determined by the Nodal Officer or his nominee.
- 42.4 The value of work executed shall comprise the value of the quantities of the items in the Bill of quantities completed.
- 42.5 The value of work executed shall include the valuation of variations and Compensation Events.
- 42.6 The Nodal Officer or his nominee may exclude any item certified in a previous certificate or reduce the proportion of any item previously certified in any certificate in the light of later information.

43. Payments

- 43.1 Bills shall be prepared and submitted by the Contractor. Joint measurements shall be taken continuously and need not be connected with billing stage. System of 4 copies of measurements, one each for Contractor, Employer and Nodal Officer or his nominee, and signed by both Contractor and Employer shall be followed
- 43.2 75% of bill amount shall be paid within 14 days of submission of the bill. Balance amount of the verified bill should be paid within 28 days of the submission of the bill.
- 43.3 For delay in payment beyond the periods specified in 43.2 above, interest at a pre-specified rate (suggested rate 12% p.a.) should be paid.
- 43.4 Contractor shall submit final Bill within 60 days of issue of defects liability certificate. Client's Nodal Officer or his nominee shall check the bill within 60 days after its receipt and return the bill to Contractor for corrections, if any. 50% of undisputed amount shall be paid to the Contractor at the stage of returning the bill.

- 43.5 The contractor should re-submit the bill, with corrections within 30 days of its return by the Nodal Officer or his nominee. The re-submitted bill shall be checked and paid within 60 days of its receipt.
- 43.6 Interest at a pre-specified rate (suggested rate 12%) shall be paid if the bill is not paid within the time limit specified above.
- 43.7 If an amount certified is increased in a later certificate as a result of an award by the Conciliator or an Arbitrator, the Contractor shall be paid interest upon the delayed payment as set out in this clause. Interest shall be calculated from the date upon which the increased amount would have been certified in the absence of dispute.
- 43.8 Items of the Works for which no rate or price has been entered in will not be paid for by the Employer and shall be deemed covered by other rates and prices in the Contract.

44 Compensation Events

- 44.1 The following mutually agreed Compensation Events unless they are caused by the Contractor would be applicable:
- (a) The Employer does not give access to a part of the Site by the Site Possession Date stated in the Contract Data.
 - (b) The Employer modifies the schedule of other contractors in a way which affects the work of the contractor under the contract.
 - (c) The Nodal Officer or his nominee orders a delay or does not issue drawings, specifications or instructions required for execution of works on time.
 - (d) The Nodal Officer or his nominee instructs the Contractor to uncover or to carry out additional tests upon work which is then found to have no Defects.
 - (e) The Nodal Officer or his nominee unreasonably does not approve for a subcontract to be let.
 - (f) Ground conditions are substantially more adverse than could reasonably have been assumed before issuance of Letter of Acceptance from the information issued to Bidders (including the Site Investigation Reports), from information available publicly and from a visual inspection of the site.
 - (g) The Nodal Officer or his nominee gives an instruction for dealing with an unforeseen condition, caused by the Employer, or additional work required for safety or other reasons.
 - (h) Other contractors, public authorities, utilities or the Employer does not work within the dates and other constraints stated in the Contract that cause delay or extra cost to the Contractor.

- (i) The advance payment is delayed.
- (j) The effect on the Contractor of any of the Employer's Risks.
- (k) The Nodal Officer or his nominee unreasonably delays issuing a Certificate of Completion.
- (l) Other Compensation Events listed in the Contract Data or mentioned in the contract.

Whenever any compensation event occurs, the contractor will notify the employer, within 14 days and provide a forecast cost of the compensation event.

44.2 If a Compensation Event would cause additional cost or would prevent the work being completed before the Intended Completion Date, the Contract Price shall be increased and/or the Intended Completion Date shall be extended. The Nodal Officer or his nominee shall decide whether and by how much the Contract Price shall be increased and whether and by how much the Intended Completion Date shall be extended.

44.3 As soon as information demonstrating the effect of each Compensation Event upon the Contractor's forecast has been provided by the Contractor, it is to be assessed by the Nodal Officer or his nominee and the Contract Price shall be adjusted accordingly. If the Contractor's forecast is deemed unreasonable the Nodal officer or his nominee shall adjust the Contract Price based on Nodal Officer or his nominee's own forecast. The Nodal Officer or his nominee will assume that the Contractor will react competently and promptly to the event.

45. Tax

45.1 The rates quoted by the Contractor shall be deemed to be inclusive of the sales and other taxes that the Contractor will have to pay for the performance of this Contract. The Employer will perform such duties in regard to the deduction of such taxes at sources as per applicable law. Any new Taxes, levies, duties imposed after signing the Contract shall be reimbursed by the employer on production of documentary evidence.

46. Currencies

46.1 All payments shall be made in Indian Rupees unless specifically mentioned.

47. Price Adjustment.

47.1 Contract price shall be adjusted for increase or decrease in rates and prices of labour, materials, fuels and lubricants in accordance with the following principles and procedures and as per formula given in the contract data:

- (a) The price adjustment shall apply for the work done from the start date given in the contract data upto end of the initial intended completion date or extensions granted by the Nodal Officer or his nominee and shall not apply to the work carried beyond the stipulated time for reason attributable to the contractor.
- (b) The price adjustment shall be determined during each quarter from the mutually agreed formula given in the contract data base on the following premises.

$$E = K \times R \times (I_1 - I_0 / I_0)$$

- (c) Following expressions and meanings are assigned to the work done during each quarter:

E = Amount of Escalation

K = A constant decided by the employer, depicting the variable component of the cost (shall not be lower than 0.85 and not higher than 0.90)

R = Total value of work done during the quarter.

I₁ = Average Construction Cost Indices during the guarantee of incident.

I₀ = Average Base Construction Cost Index.

- d). For calculating escalation, base (Construction Cost Index) should be taken as on 28th day prior to submission of tender.
- e). The Construction Cost Indices shall be those determined and published by the recognised bodies in the relevant Sector or CIDC.

47.2 BLANK (for special provisions left to the discretion of the owner)

47.3 To the extent that full compensation for any rise or fall in costs to the contractor is not covered by the provisions of this or other clauses in the contract, the unit rates and prices included in the contract shall be deemed to include amount to cover the contingency of such other rise or fall in costs.

47.4 **Subsequent Legislation**

If, after the date 28 (Twenty eight) prior to the date for submission of tenders for the contract there occur changes to any National or Statute Statute, Ordinance or Decree or other Law or any regulation or bye law of any local or other duly constituted authority or introduction of any such state statute, Ordinance, Decree, Law, regulation or bye law which causes additional or reduced cost to the contractor in execution of the contract, such additional or reduced cost shall,

after due consultation with the Employer and the contractor be determined by the Nodal Officer or his nominee and shall be added to or deducted from the contract price and the Nodal Officer or his nominee shall notify the contractor accordingly with a copy to the Employer.

48. Retention

48.1 The Employer shall retain from each payment due to the Contractor the proportion stated in the Contract Data until Completion of the whole of the Works.

48.2 Retention Money shall be deducted at 6% from Running Bills subject to a max. of 5 percent of the contract price. Retention money shall be refunded after issue of No defects certificate. This amount can be substituted by on demand Bank Guarantee.

49. Liquidated Damages

9A. In case of delay in completion of the contract, liquidated damages (L.D) may be levied at the rate of half per cent ($\frac{1}{2}\%$) of the contract price per week of delay, subject to a maximum of 10 per cent of the contract price.

9A(i) The owner, if satisfied, that the works can be completed by the contractor within a reasonable time after the specified time for completion, may allow further extension of time at its discretion with or without the levy of L.D. In the event of extension granted being with L.D, the owner will be entitled without prejudice to any other right or remedy available in that behalf, to recover from the contractor as agreed damages equivalent to half per cent ($\frac{1}{2}\%$) of the contract value of the works for each week or part of the week subject to the ceiling defined in sub-Clause 9 A.

9A(ii) The owner, if not satisfied that the works can be completed by the contractor, and in the event of failure on the part of the contractor to complete work within further extension of time allowed as aforesaid, shall be entitled, without prejudice to any other right, or remedy available in that behalf, to rescind the contract.

9A(iii) The owner, if not satisfied with the progress of the contract and in the event of failure of the contractor to recoup the delays in the mutually agreed time frame, shall be entitled to terminate the contract.

9A(iv) In the event of such termination of the contract as described in clauses 9A (ii) or 9A (iii) or both the owner shall be entitled to recover L.D. upto ten per cent (10%) of the contract value and forfeit the security deposit made by the contractor besides getting the work completed by other means at the risk and cost of the contractor.

- 9A(v) The ceiling of LD shall be 10% of the project cost in turnkey contracts. Lower limits for LDs should be clearly justified while formulating the contract. Each public sector undertaking/Ministry will take a considered view for adopting any deviations on LDs with necessary legal advice.
- 9A(vi) Ministries/Departments/Project Enterprises may adopt a suitable percent of the contract price as liquidated damages and allowable time-limit depending upon the nature of turnkey contract.

50. Incentives or Bonus (Optional Clause)

- 9B For early completion of the contract before the stipulated date of completion of an incentive amount at the rate of half per cent ($\frac{1}{2}\%$) of the contract price per week of early completion, subject to a maximum of five per cent (5%) of the contract price may be paid to the contractor.
- 9B (i) The incentive or bonus (optional clause) would be applicable in time-critical projects.
- 9B (ii) The owner (Project Enterprise/Ministry/Department) may determine accurately the quantum of incentive and the period of early completion as the eligibility criteria before the award of contract.
- 9B (iii) Each Public Sector Undertaking/Ministry will consider and take a considered view whether the clause regarding incentives are to be included in the contract along with justifications based on legal advice.

51. Advance payment

The Employer shall make the following advance payments :

- 51.1 Mobilisation Advance shall be paid upto 10% of Contract price, payable in two equal instalments. The first instalment shall be paid after mobilisation has started and next instalment shall be paid after satisfactory utilisation of earlier advance.
- 51.2 Construction/ installation equipment Advance shall be paid upto 5% of Contract price, limited to 90% of assessed cost of machinery. For special cases, a higher advance for construction equipment upto 10% of contract price may be considered.

51.3 Mobilisation Advance and Construction Equipment Advance shall be paid at 12 % interest or free of interest and against Bank Guarantee for Mobilisation Advance and against hypothecation of Construction Equipment to the Employer. Provision of interest free advance may be left to the discretion of the employer.

51.4 Equipment advance shall be paid in two or more instalments. First instalment shall be paid after Construction Equipment has arrived at the site and next instalment shall be paid after satisfactory utilisation of earlier advance (s).

51.5 Recovery of Mobilisation and Construction Equipment advance will start when 15% of the work is executed and recovery of total advance should be completed by the time 80% of the original Contract work is executed.

51.6 Secured Advance:

The Nodal Officer or his nominee shall make advance payment in respect of materials and plant brought to site for but not yet incorporated installed in the Works in accordance with conditions stipulated in the Contract Data.

75% of cost of materials and plant brought to site for incorporation into the works only shall be paid as Secured Advance. Materials which are of perishable nature should be adequately insured.

52. Securities

52.1 Security deposit shall consist of two parts -

- a) performance security to be submitted at award of the work
- b) Retention Money to be recovered from Running Bills.

52.2 The Performance Security 5% of the Contract amount shall be provided by the Contractor to the Employer not later than 28 days from the letter of acceptance and shall be issued in the said amount and on approved form and by a bank or surety acceptable to the Employer and denominated in Indian Rupees. The Performance Security shall be valid until a date 14 days from the day of expiry of taking over certificate. The Performance security shall be refunded within 14 days of taking over certificate with list of defects.

53. **Blank** (For providing special security conditions on the discretion of the owner)

54. Cost of Repairs

54.1 Loss or damage to the Works or Materials to be incorporated in the Works between the Start Date and the end of the Defects Correction period shall be remedied by the Contractor at the Contractor's cost if the loss or damage arises from the Contractor's acts or omissions.

E. FINISHING THE CONTRACT.

55. Completion

55.1 After completion of the work, the contractor will serve a written notice to the Nodal Officer or his nominee/Employer to this effect. The Nodal Officer or his nominee/Employer upon receipt of this notice shall conduct a complete joint survey of the work within 7 days and prepare a defects list jointly. The defects pointed out by the Nodal Officer or his nominee/ Employer would be rectified by the contractor within 14 days and thereafter acceptance report be signed jointly by the contractor and the Employer. This joint acceptance report shall be treated as 'Completion Certificate'.

56. Taking Over

56.1 The Employer shall take over the Site and the Works within seven days of the Nodal Officer or his nominee issuing a certificate of Completion.

57. Final Account

57.1 The Contractor shall supply to the Nodal Officer or his nominee a detailed account of the total amount that the Contractor considers payable under the Contract before the end of the Defects Liability Period. The Nodal Officer or his nominee shall issue a Defects Liability Certificate and certify any final payment that is due to the Contractor within 60 days of receiving the Contractor's account if it is correct and complete. If it is not, the Nodal Officer or his nominee shall issue within 15 days a schedule that states the scope of the corrections or additions that are necessary for the correction and certify payment of 50% of the undisputed amount to the contractor. If the Final Account is still unsatisfactory after it has been resubmitted the Nodal Officer or his nominee shall decide on the amount payable to the Contractor and issue a payment certificate, within 60 days of receiving the Contractor's revised account.

58. Operating and Maintenance Manuals

58.1 If “as built” Drawings and/or operating and maintenance manuals are required the Contractor shall supply them by the dates stated in the Contract Data.

58.2 If the Contractor does not supply the Drawings and/or manuals by the dates stated in the Contract Data, or they do not receive the Nodal Officer or his nominee’s approval, the Nodal Officer or his nominee shall withhold the amount stated in the Contract Data from payments due to the Contractor.

59. Termination

59.1 The Employer or the Contractor may terminate the Contract if the other party causes a fundamental breach of the Contract.

59.2 Fundamental breaches of Contract include, but shall not be limited to the following:

- (a) the Contractor stops work for 28 days when no stoppage of work is shown on the current Program and the stoppage has not been authorised by the Nodal Officer or his nominee:
- (b) the Nodal Officer or his nominee instructs the Contractor to delay the progress of the Works and the instruction is not withdrawn within 28 days.
- (c) the Employer or the Contractor becomes bankrupt or goes into liquidation other than for a reconstruction restructure or amalgamation.
- (d) a payment certified by the Nodal Officer or his nominee is not paid by the Employer to the Contractor within 50 days of the date of the Nodal Officer or his nominee’s certificate:
- (e) the Nodal Officer or his nominee gives Notice that failure to correct a particular Defect is a fundamental breach of Contract and the Contractor fails to correct it within a reasonable period of time determined by the Nodal Officer or his nominee.
- (f) the Contractor does not maintain a security which is required.
- (g) the Contractor has delayed the completion of works by the number days for which the maximum amount of liquidated damages can be paid as defined in the Contract data and

- (h) if the Contractor, in the judgement of the Employer has engaged in corrupt or fraudulent practices in competing for or in the executing the Contract.
- i) if the contractor has contravened clause 7.1 and clause 9.00

For the purpose of this paragraph: “ corrupt practice” means the offering, giving, receiving or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution. “Fraudulent practice” means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Employer, and includes collusive practice. Bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the Employer of the benefits of free and open competition.”

59.3 When either party to the Contract gives notice of a breach of contract to the Nodal Officer or his nominee for a cause other than those listed under Sub Clause 59.2 above, the Nodal Officer or his nominee shall decide whether the breach is fundamental or not.

59.4 Notwithstanding the above, the Employer may terminate the Contract for convenience subject to payment of compensation to the contractor including loss of profit on uncompleted works. Loss of profit shall be calculated on the same basis as adopted for calculation of extra/additional items.

59.5 If the Contract is terminated the Contractor shall stop work immediately, make the Site safe and secure and leave the Site as soon as reasonably possible.

60. Payment upon Termination.

60.1 If the Contract is terminated because of a fundamental breach of Contract by the Contractor, the Nodal Officer or his nominee shall issue a certificate for the value of the work done less advance payments received upto the date of the issue of the certificate, less other recoveries due in terms of the contract, less taxes due to be deducted at source as per applicable law and less the percentage to apply to the work not completed as indicated in the Contract Data. Additional Liquidated Damages shall not apply. If the total amount due to the Employer exceeds any payment due to the Contractor, the difference shall be a debt payable to the Employer.

60.2 If the Contract is terminated at the Employer's convenience or because of a fundamental breach of Contract by the Employer, the Nodal Officer or his nominee shall issue a certificate for the value of the work done, the reasonable cost

of removal of Equipment repatriation of the Contractor's personnel employed solely on the Works, and the Contractor's costs of protecting and securing the Works and loss of profit on uncompleted works less advance payments received up to the date of the certificate, less other recoveries due in terms of the contract and less taxes due to be deducted at source as per applicable law.

61. Property.

61.1 All materials on the Site, Plant, Equipment, Temporary Works and Works for which payment has been made to the contractor by the Employer, are deemed to be the property of the Employer, if the Contract is terminated because of a Contractor's default.

62. Release from Performance.

62.1 If the Contract is frustrated by the outbreak of war or by other event entirely outside the control of either the Employer or the Contractor, the Nodal Officer or his nominee shall certify that the Contract has been frustrated. The Contractor shall leave the Site and stop work as quickly as possible after receiving this certificate and shall be paid for all work carried out before receiving it and for any work carried out afterwards to which commitment was made.

63. BLANK (Any other provision on the discretion of the authority)

F. SPECIAL CONDITIONS OF CONTRACT

1. LABOUR

The Contractor shall, unless otherwise provided in the Contract, make his own arrangements for the engagement of all staff and labour, local or other, and for their payment, housing, feeding and transport.

The Contractor shall, if required by the Nodal Officer or his nominee, deliver to the Nodal Officer or his nominee a return in detail, in such form and at such intervals as the Nodal Officer or his nominee may prescribe, showing the staff and the numbers of the several classes of labour from time to time employed by the Contractor on the Site and such other information as the Nodal Officer or his nominee may require.

2. COMPLIANCE WITH LABOUR REGULATIONS:

During continuance of the contract, the Contractor and his sub contractors shall abide at all times by all existing labour enactment and rules made thereunder, regulations,

notifications and bye laws of the State or Central Government or local authority and any other labour law (including rules) regulations, bye laws that may be passed or notification that may be issued under any labour law in future either by the State or Central Government or the local authority. Salient features of some of the major labour laws that are applicable to construction industry are given below. The Contractor shall keep the Employer indemnified in case any action is taken against the Employer by the competent authority on account of contravention of any of the provisions of any Act or rules made thereunder, regulations or notifications including amendments. If the Employer is caused to pay or reimburse such amounts as may be necessary to cause or observe, or for non-observance of the provisions stipulated in the notifications/bye laws/Acts/Rules/regulations including amendments, if any, on the part of the Contractor the Nodal Officer or his nominee/Employer shall have the right to deduct any money due to the Contractor including his amount of performance security. The Employer/Nodal Officer or his nominee shall also have right to recover from the Contractor any sum required or estimated to be required for making good the loss or damage suffered by the Employer.

The employees of the Contractor and the Sub-Contractor in no case shall be treated as the employees of the Employer at any point of time.

SALIENT FEATURES OF SOME MAJOR LAWS APPLICABLE TO ESTABLISHMENTS ENGAGED IN BUILDING AND OTHER CONSTRUCTION WORK.

- (a) Workmen Compensation Act 1923:- The Act provides for compensation in case of injury by accident arising out of and during the course of employment.
- b) Payment of Gratuity Act 1972: Gratuity is payable to an employee under the Act on satisfaction of certain conditions on separation if an employee has completed 5 years service or more on death at the rate of 15 days wages for every completed year of service. The Act is applicable to all establishments employing 10 or more employees.
- (c) Employees P.F and Miscellaneous Provision Act 1952: The Act Provides for monthly contributions by the employer plus workers @ 12%/8.33%. The benefits payable under the Act are:
 - (i) Pension to family pension on retirement or death, as the case may be.
 - (ii) Deposit linked insurance on the death in harness of the worker.
 - (iii) payment of P.F accumulation on retirement/death etc.
- d) Maternity Benefit Act 1951:- The Act provides for leave and some other benefits to workmen/ employees in case of confinement or miscarriage etc.

- e) Contract Labour (Regulation & Abolition) Act 1970:- The Act provides for certain welfare measures to be provided by the Contractor to contract labour and in case the Contractor fails to provide, the same are required to be provided, by the Principal Employer by Law. The Principal Employer is required to- take Certificate of Registration and the Contractor is required to take license from the designated Officer. The Act is applicable to the establishments or Contractor of Principal Employer if they employ 20 or more contract labor.
- f) Minimum Wages Act 1948: The Employer is supposed to pay not less than the Minimum Wages fixed by appropriate Government as per provisions of the Act if the employment is a scheduled employment Construction of Buildings, Roads, Runways are scheduled employment.
- (g) Payment of Wages Act 1936:- It lays down as to by what date the wages are to be paid when it will be paid and what deductions can be made from the wages of the workers.
- (h) Equal Remuneration Act 1979:- The Act provides for payment of equal wages for work of equal nature to Male and Female workers and for not making discrimination against Female employees in the matters of transfers, training and promotions etc.
- i) Payment of Bonus Act 1965: The Act is applicable to all establishments employing 20 or more employees. The Act provides for payments of annual bonus subject to a minimum of 8.33% of wages and maximum of 20% of wages to employees drawing Rs. 3500/- per month or less. The bonus to be paid to employees getting Rs. 2500/- per month or above upto Rs. 3500/- per month shall be worked out by taking wages as Rs. 2500/- per month only. The Act does not apply to certain establishments. The newly set-up establishments are exempted for five years in certain circumstances. Some of the State Governments have reduced the employment size from 20 to 10 for the purpose of applicability of this Act.
- j) Industrial Disputes Act 1947:- The Act lays down the machinery and procedure for resolution of Industrial disputes, in what situations a strike or lock out becomes illegal and what are the requirements for laying off or retrenching the employees or closing down the establishment.
- k) Industrial Employment's (Standing Orders) Act 1946:- It is applicable to all establishments employing 100 or more workmen (employment size reduced by some of the States and Central Government to 50). The provides for laying down rules governing the conditions of employment by the Employer on matters provided in the Act and get same certified by the designated Authority.

- l) Trade Unions Act 1926:- The Act lays down the procedure for registration of trade union of workmen and employers. The Trade Union registered under the Act have been given certain immunities from civil and criminal liabilities.
- m) Child Labour (Prohibition & Regulation) Act 1986:- The Act prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of Children in all other occupations and processes. Employment of Child Labor is prohibited in Building and Construction Industry.
- n) Inter-State Migrant workmen's (Regulation of Employment & Conditions of Service) Act 1979:-

The Act is applicable to an establishment which employs 5 or more inter-state migrant workmen through an intermediary (who has recruited workmen in one state for employment in the establishment situated in another state). The Inter-State migrant workmen, in establishment to which this Act becomes applicable, are required to be provided certain facilities such as housing, medical aid, travelling expenses from home upon the establishment and back, etc.

- o) The Building and Other Construction workers (Regulation of Employment and Conditions of Service) Act 1996 and the Cess Act of 1996:- All the establishments who carry on any building or other construction work and employs 10 or more workers are covered under this Act. All such establishments are required to pay cess at the rate not exceeding 2% of the cost of construction as may be modified by the Government. The Employer of the establishment is required to provide safety measures at the Building or Construction work and other welfare measures, such as Canteens, First-Aid facilities. Ambulance, Housing accommodations for workers near the work place etc. The Employer to whom the Act applies has to obtain a registration certificate from the Registering Officer appointed by the Government.
- p) Factories Act 1948:- The Act lays down the procedure for approval at plans before setting up a factory, health and safety provisions, welfare provisions, working hours, annual earned leave and rendering information regarding accidents or dangerous occurrences to designated authorities. It is applicable to premises employing 10 persons or more with aid of power or 20 more persons without the aid of power engaged in manufacturing process.

SECTION 4

CONTRACT DATA

CONTRACT DATA

Items marked “ N/A do not apply in this Contract.

	Clause Reference
The following documents are also part of the Contract	
The Schedule of other contractors	(8)
The Schedule of Key personnel	(9)

The above insertions should correspond to the information provided in the Invitation of Bids.

The Employer is

Name _____

(1.1)

Address _____

Name of authorised Representative is _____

The Nodal Officer or his nominee is

Name _____

Address _____

Name of Authorised Representative is _____

The Conciliator appointed jointly by the Employer and Contractor is:

* Name : _____

(1.1)

* Address _____

(* to be filled in after the Conciliator has been appointed)

The name and identification number of the Contract is _____

(insert name and number as indicated in the invitation for Bids (or Prequalification, if any)
..... (1.1)

The works consist of _____

(brief summary, including relationship to other contracts under the Project)

The start date shall be _____ (1.1)

The Intended completion Date for the whole
of the Work is _____ with the following milestones:
(17,28)

Milestone dates:

<u>Physical works to be completed</u>	<u>Period from the date of issue of notice to proceed with the work</u>
Milestone 1 i.e. _____	_____ months
Milestone 2 i.e. _____	_____ months
Milestone 3 i.e. _____	_____ months

The following documents also form part of the Contract (2.3.)

The Contractor shall submit a Program for the Works
within _____ days of delivery of the letter of Acceptance. (27)

The Site Possession Dates shall be (21)

Section 1 _____

Section 2 _____

Section 3 _____

The site is located at _____ (1)
and is defined in drawings nos. _____

The Defects Liability Period is _____ days (35)

The minimum insurance cover for physical property, injury and
death is Rs. _____ (lakhs) per occurrence with the number of occurrences
limited to four. After each occurrence, contractor will pay additional premium
necessary to make insurance valid for four occurrences always.

The following events shall also be Compensation Events: (44)

1. The Employer terminates the contract for his convenience
2. _____
3. _____
4. _____

The period between Programme updates shall be _____ days (27)

The amount to be withheld for late submission of an updated Programme shall be Rs. _____ (27)

The language of the Contract documents is English (3)

The law, which applies to the Contract, is the law of Union of India (3)

The currency of the Contract is Indian Rupees (46)

Fees and types of reimbursable expenses to be paid to the Conciliator (25)

Appointing Authority for the Conciliator CIDC – SIAC Arbitration Center.
_____ (26)

The formula(e) for adjustment of prices are: (47)

R= Value of work as defined in Clause 47.1 of Conditions of Contract.

Adjustment for labor component:

- (I) Price adjustment for increase or decrease in the cost due to labor shall be paid in accordance with the following formula:

$$V_L = 0.85 \times P_1 / 100 \times R \times (L_1 - L_0) / L_0$$

V_L = increase or decrease in the cost of work during the quarter under consideration due to change in rates for local labor.

L_0 = The average consumer price index for industrial workers for _____ center for the quarter preceding 28 days prior to the date of opening of Bids as published by Labor Bureau, Ministry of Labor, Government of India.

L_1 = The average consumer price index for industrial workers is _____ center for the quarter under consideration as published by Labor Bureau, Ministry of Labor, Government of India.

P_1 = Percentage of labor component of the work.

Adjustment for cement component

- (ii) Price adjustment for increase or decrease in the cost of cement procured by the contractor shall be paid in accordance with the following formula.

$$V_C = 0.85 \times P_C / 100 \times R \times (C_i - C_o) / C_o$$

V_C = increase or decrease in the cost of work during the period under consideration due to change in the market rate for cement.

C_o = The market rate for cement on the day 28 days prior to the date of opening of Bids.

C_i = The market rate for cement for the period under consideration.

P_C = Percentage of cement component of the work.

Adjustment for steel component

- iii) Price adjustment for increase or decrease in the cost of steel procured by the Contractor shall be paid in accordance with the following formula:

$$V_s = 0.85 \times P_s / 100 \times R \times (S_i - S_o) / S_o$$

V_s = Increase or decrease in the cost of work during the quarter under consideration due to changes in the market rate for steel.

S_o = The market rate for steel (Bars and Rods) on the day 28 days prior the date of opening of Bids.

S_i = The market price for steel (Bars and Rods) for the period under consideration.

P_s = Percentage of steel component of the work

Note: For the application of this clause, index of Bars and Rods has been chosen to represent steel group.

Adjustment of Bitumen component.

- (iv) Price adjustment for increase or decrease in the cost of bitumen shall be paid in accordance with the following formula:

$$V_b = 0.85 \times P_b / 100 \times R \times (B_i - B_o) / B_o$$

V_b = Increase or decrease in the cost of work during the quarter under consideration due to changes in the average official retail price for bitumen.

B_o = The average official retail price of bitumen at the IOC depot at _____ on the _____ day 28 days prior to date of opening of Bids.

B_i = The average official retail price of bitumen at IOC depot at _____ for the 15th day of the middle calendar month of the quarter under consideration.

P_b = Percentage of bitumen component of the work.

Adjustment of POL (fuel and lubricant) component

- (v) Price adjustment for increase or decrease in cost POL (fuel and lubricant) shall be paid in accordance with the following formula:

$$V_f = 0.85 \times P_f / 100 \times R \times (F_i - F_o) / F_o$$

V_f = Increase or decrease in the cost of work during the quarter under consideration due to changes in rates for fuel and lubricants.

F_o = The average official retail price of High Speed Diesel (HSD) at the existing consumer pumps of IOC at _____ on the day 28 days prior to the date of opening of Bids.

F_i = The average official retail price of HSD at the existing consumer pumps of IOC at _____ for the 15th day of the middle calendar month of the quarter under consideration.

P_f = Percentage of fuel and lubricants components of the work

Note: For the application of this clause, the price of High Speed Diesel oil has been chosen to represent fuel and lubricants group.

Adjustment for Plant and Machinery Spares component

- (III) Price adjustment for increase or decrease in the cost of plant and machinery spares procured by the Contractor shall be paid in accordance with the following formula:

$$V_p = 0.85 \times P_p / 100 \times R \times (P_i - P_o) / P_o$$

V_p = Increase or decrease in the cost of work during the quarter under consideration due to changes in the rates for plant and machinery spares.

P_o = The All India average wholesale price index for heavy machinery and parts for the quarter preceding 28 days prior to the date of opening of Bids as published by the Ministry of Industrial Development, Government of India, New Delhi.

P_i = The All India average wholesale price index for heavy machinery and parts for the quarter under consideration as published by Ministry of Industrial Development, New Delhi.

P_p = Percentage of plant and machinery spares component of the work

Note: For the application of this clause, index of Heavy Machinery and Parts has been chosen to represent the Plant and Machinery Spares group.

Adjustment of Local materials

- (IV) Price adjustment for increase or decrease in cost of local materials other than cement, steel, bitumen and POL procured by the contractor shall be paid in accordance with the following formula:

$$V_m = 0.85 \times P_m / 100 \times R \times (M_i - M_o) / M_o$$

V_m = Increase or decrease in the cost of work during the quarter under consideration due to changes in rates for local materials other than cement, steel, bitumen and POL.

M_o = The All India average wholesale price index (all commodities) for the quarter preceding 28 days prior to the date of opening of Bids, as published by the Ministry of Industrial Development, Government of India, New Delhi.

M_i = The All India average wholesale price index (all commodities) for the quarter under consideration as published by Ministry of Industrial Development, Government of India, New Delhi.

P_m = Percentage of local material component (other than cement, steel, bitumen and POL) of the work

The following percentages will govern the price adjustment for the entire contract:

1. Labour	- P_i	___ %
2. Cement	- P_c	___ %
3. Steel	- P_s	___ %
4. Bitument	- P_b	___ %
5. POL	- P_f	___ %
6. Plant & Machinery Spares	- P_p	___ %
7. Other materials	- P_m	___ %
	Total	100 %

The proportion of payments retained (retention money) shall be 6% from each bill subject to a maximum of 5% of the contract price.

[48]

The liquidated damages for the whole of the works are Rs_____ (*amount*) per day and that for the milestone are as under: [49]

For milestone 1	Rs_____per day
For milestone 2	Rs_____per day
Fore milestone3	Rs_____per day

The maximum amount of liquidated damages for the whole of the works is ten percent of the contract price

[49]

The amounts of the advance payments are:
[51]

Nature of Advance	Amount (Rs)	Conditions to be fulfilled
1. Mobilization Bank	10% of the Contract price	On submission of un-conditional
2. Equipment (Plant and Machinery)	90% for new and 75% of depreciated value for old equipment. Total amount will be subject to a maximum of 5%/10%/15%* of the Contract price. (* Choose one and delete others)	Guarantee. After equipment is brought to site.
3. Secured Advance with the for non-perishable materials brought	85% of Invoice value or Market value-lower of the two	a)The materials are in accordance specification for Works: b)Such materials have been delivered to site, to site. and are properly stored and protected against damage or deterioration to the satisfaction of the Nodal Officer or his nominee. The contractor shall store the bulk material in measurable stacks.; c)The Contractor's records of the requirements, orders, receipt and use of materials are kept in a form approved by the Nodal Officer or his nominee and such records shall be available for inspection by the Nodal Officer or his nominee.

d)The contractor has submitted with his monthly statement the estimated value of the materials on site together with such documents as may be required by the Nodal Officer or his nominee for the purpose of valuation of the materials and providing evidence of ownership and payment thereof;

e)Ownership of such materials shall be deemed to vest in the Employer for which the Contractor has submitted an Indemnity Bond in an acceptable format; and

f)The quantity of materials are not excessive and shall be used within a reasonable time as determined by the Nodal Officer or his nominee.

(The advance payment will be paid to the Contractor not later than 15 days after fulfillment of the above conditions)

Repayment of advance payment for mobilization and equipment: [51]

The advance loan shall be repaid with percentage deductions from the interim payments certified by the Nodal Officer or his nominee under the Contract. Deductions shall commence in the next Interim Payment Certificate following that in which the total of all such payments to the Contractor has reached not less than 15 percent of the Contract Price until such time as the loan has been repaid, always provided that the loan shall be completely repaid by the time 80% of the original contract work is executed.

Repayment of secured advance:

The advance shall be repaid from each succeeding monthly payment to the extent materials [for which advance was previously paid pursuant to Clause 51.6 of G.C.C. and 51(3) of Contract Data on prepage] have been incorporated into the Works.

The Securities shall be for the following minimum amounts equivalent as a percentage of the Contract Price: (52)

Performance Security for 5 percent of contract price.

The standard form of Performance Security acceptable to the Employer shall be an unconditional Bank Guarantee of the type as presented in Section 8 of the Bidding Documents.

*The date by which operating and maintenance manuals are required is within 28 days of (58)

issue of certificate of completion of whole or section of the work, as the case may be.

*The date by which “as-built” drawings are required is within 28 days of issue of (58)

certificate of completion of whole or section of the work, as the case may be

The amount to be withheld for failing to supply “as built” drawings and/or operating and (58) maintenance manuals by the date required is Rs. _____

The percentage to apply to the value of the work not completed representing the Employer’s additional cost for completing the Works shall be 5 percent

* *Score out which is inapplicable*

SECTION 5

SPECIFICATIONS

(to be filled in by the Owner/contractor)

SECTION 6

DRAWING

(to be provided by the Owner/contractor)

SECTION 7

Sl No.	Discription of item (with brief specification and reference to book of specifications)	Quantity	Unit	Rate (in figures) Rs.	Rate (in words) Rs.	Amount Rs.
1	2	3	4	5	6	7

BILL OF QUANTITIES

Notes:

- (1) Item for which no rate or price has been entered in will not be paid for by the Employer when executed and shall be deemed covered by the other rates and prices in the Bill of Quantities (refer: ITB Clause 13.2 and GCC Clause 43.8).
- (2) Unit rates and prices shall be quoted by the bidder in Indian Rupee [ITB Clause 14.1].
- (3) Where there is a discrepancy between the rate in figures and words, the rates in words will govern [ITB Clause 27.1 (a)].
- (4) Where there is a discrepancy between the unit rate and the line item total resulting from multiplying the unit rate by quantity, the unit rate quoted shall govern [ITB Clause 27.1 (b)].

SECTION 8

FORMS OF SECURITIES

Acceptable forms of securities are annexed. Bidders should not complete the Performance and Advance Payment Security forms at this time. Only the successful Bidder will be required to provide Performance and Advance Payment Securities in accordance with one of the forms, or in a similar form acceptable to the Employer.

Annex A:	Bid Security (Bank Guarantee)
Annex B:	Performance Bank Guarantee
Annex C:	BLANK
Annex: D	Bank Guarantee for Advance Payment

BID SECURITY (BANK GUARANTEE)

WHEREAS, _____ [Name of Bidder] (hereinafter called "the Bidder") has submitted his bid dated _____ [date] for the construction of _____ [name of Contract] (hereinafter called "the Bid").

KNOW ALL PEOPLE by these presents that We _____ [name of bank] of _____ (name of country) having our registered office at _____ (hereinafter called "the Bank") are bound unto _____ [name of Employer] (hereinafter called "the Employer") in the sum of _____ 1 for which payment well and truly to be made to the said Employer the Bank binds itself, his successors and assigns by these presents.

SEALED with the Common Seal of the said Bank this _____ day of _____ 19_____

THE CONDITIONS of this obligations are:

- (1) If after Bid opening the Bidder withdraws his Bid during the period of bid validity specified in the Form of Bid;

or
- (2) If the Bidder having been notified of the acceptance of his Bid by the Employer during the period of bid validity:
 - (a) fails or refuses to execute the Form of Agreement in accordance with the Instructions to Bidders, if required; or
 - (b) fails or refuses to furnish the Performance Security, in accordance with the Instructions to Bidders, or
 - (c) does not accept the correction of the Bid Price pursuant to Clause 27;

We undertake to pay to the Employer up to the above amount upon receipt of his first written demand, without the Employer having to substantiate his demand, provided that in his demand the Employer will note that the amount claimed by him is due to him owing to the occurrence of one or any of the three conditions, specifying the occurred condition or conditions.

This Guarantee will remain in force up to and including the date_____ ² days after the deadline for submission of Bids as such deadline is stated in the Instructions to Bidders or as it may be extended by the Employer, notice of which extension(s) to the Bank is hereby waived. Any demand in respect of this Guarantee should reach the Bank not later than the above date.

DATE_____ SIGNATURE OF THE BANK_____

WITNESS_____ SEAL_____

[Signature, name and address]

1. The Bidder should insert the amount of the guarantee in words and figures denominated in Indian Rupees. This figure should be the same as shown in Clause 16.1 of the Instructions to Bidders.
2. 28 days after the end of the validity period of the Bid. Date should be inserted by the Employer before the Bidding documents are issued.

PERFORMANCE BANK GUARANTEE

To: _____ *[name of Employer]*
_____ *[address of Employer]*

WHEREAS _____ *[name and address of Contractor]* (hereinafter called "the Contractor") has undertaken, in pursuance of Contract _____ No. _____ dated _____ to execute _____ *[name of Contract and brief description of Works]* (hereinafter called "the Contract").

AND WHEREAS it has been stipulated by you in the said Contract that the Contractor shall furnish you with a Bank Guarantee by a recognised bank for the sum specified therein as security for compliance with his obligations in accordance with the Contract;

AND WHEREAS we have agreed to give the Contractor such a Bank Guarantee;

NOW THEREFORE we hereby affirm that we are the Guarantor and responsible to you, on behalf of the Contractor, up to a total of _____ ¹ *[amount of guarantee]* _____ *[In words]*, such sum being payable in the types and proportions of currencies in which the Contract Price is payable, and we undertake to pay you, upon your first written demand, and without cavil or argument, any sum or sums within the limits of _____ ¹ *[amount of guarantee]* as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the Contractor before presenting us with the demand.

We further agree that no change or addition to or other modification of the terms of the Contract or of the Works to be performed thereunder or of any of the Contract documents which may be made between you and the Contractor shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification.

This guarantee shall be valid until 28 days from the date of expiry of the Defects Liability Period.

Signature and seal of the guarantor_____

Name of Bank_____

Address_____

Date_____

- 1 An amount shall be inserted by the Guarantor, representing the percentage of the Contract Price specified in the Contract and denominated in Indian Rupees.

BANK GUARANTEE FOR ADVANCE PAYMENT

To: _____ *[name of Employer]*
_____ *[address of Employer]*
_____ *[name of Contract]*

Gentlemen:

In accordance with the provisions of the Conditions of Contract, Sub-clause 51.1 ("Advance Payment") of the above mentioned Contract, _____ *[name and address of Contractor]* (hereinafter called "the Contractor") shall deposit with _____ *[name of Employer]* a bank guarantee to guarantee his proper and faithful performance under the said Clause of the Contract in an amount of _____ *[amount of guarantee]*¹ _____ *[in words]*.

We, the _____ *[bank or financial institution]*, as instructed by the Contractor, agree unconditionally and irrevocably to guarantee as primary obligator and not as Surety merely, the payment to _____ *[name of Employer]* on his first demand without whatsoever right of objection on our part and without his first claim to the Contractor, in the amount not exceeding _____ *[amount of guarantee]*¹ _____ *[in words]*.

We further agree that no change or addition to or other modification of the terms of the Contract or of Works to be performed thereunder or of any of the Contract documents which may be made between _____ *[name of Employer]* and the Contractor, shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition or modification.

The guarantee shall remain valid and in full effect from the date of the advance payment under the Contract until _____ *[name of Employer]* receives full repayment of the same amount from the Contractor.

Yours truly,

Signature and seal: _____

Name of Bank/Financial Institution: _____

Address: _____

Date: _____

1. An amount shall be inserted by the bank or financial institution representing the amount of the Advance Payment, and denominated in Indian Rupees.

APPENDIX 1
TO GENERAL CONDITIONS OF CONTRACT
DISPUTES REVIEW BOARD AGREEMENT

THIS AGREEMENT, made and entered into this Day of
.....19 Between (“the Employer”) and
.....
..... (“the Contractor”),
and the Disputes Review Board (“the Board”) consisting of One/three Board Members, (1)
..... (2)
..... (3)
.....

[Note : Delete whatever is not applicable]

WITNESSETH, that

WHEREAS, the Employer and the Contractor have contracted for the construction of the
.....
.....
(Project name) (the “Contract”) and WHEREAS, the contract provides for the establishment and operation of the
Board NOW THEREFORE, the parties hereto agree as follows :

1. The parties agree to the establishment and operation of the Board in accordance with this Board Agreement.
2. Except for providing the services required hereunder, the Board Members should not give any advice to either party or to the Nodal Officer or his nominee concerning conduct of the Works.

The Board Members :

- (a) shall have no financial interest in any party to the contract or the Nodal Officer or his nominee, or a financial interest in the contract, except for payment for services on the Board.
- (b) shall have had no previous employment by, or financial ties to, any party to the contract, or the Nodal Officer or his nominee, except for fee based consulting services on other projects, all of which must be disclosed prior to appointment to the Board.

- (c) shall have disclosed in writing to the parties prior to signature of this Agreement any and all recent or close professional or personal or personal relationships with any director, officer, or employee of any party to the contract, or the Nodal Officer or his nominee, and any and all prior involvement in the project to which the contract relates;
 - (d) shall not, while a Board Member, be employed whether as a consultant or otherwise by either party to the contract, or the Nodal Officer or his nominee, except as a Board Member.
 - (e) shall not, while a Board Member, engage in discussion or make any agreement with any party to the contract, or with the Nodal Officer or his nominee, regarding employment whether as a consultant or otherwise either after the contract is completed or after services as a Board Member is completed;
 - (f) shall be and remain impartial and independent of the parties and shall disclose in writing to the Employer, the Contractor, the Nodal Officer or his nominee, and one another any fact or circumstances which might be such to cause either the Employer or the Contractor to question the continued existence of the impartiality and independence required of Board Members.
3. Except for its participation in the Board's activities as provided in the contract and in this Agreement none of the Employer, the Contractor, the Nodal Officer or his nominee, and one another any fact or circumstances which might be such to cause either the Employer or the Contractor to question the continued existence of the impartiality and independence required of Board Members.
 4. The Contractor shall :
 - a) furnish to each Board Members one copy of all documents which the Board may request including contract documents, progress reports, variation orders, and other documents, pertinent to the performance of the Contract.
 - b) in co-operation with the Employer, co-ordinate the Site visits of the Board, including conference facilities, and secretarial and copying services.
 5. The Board shall serve throughout the operation of the contract. It shall begin operation following execution of this Agreement, and shall terminate its activities after issuance of the taking over Certificate and the Board's issuance of its Recommendations on all disputes referred to it.

6. Board Member, shall not assign or subcontract any of their work under this Agreement.
7. The Board Members are independent and not employees or agents of either the Employer or the Contractor.
8. The Board Members are absolved of any personal or professional liability arising from the activities and the Recommendations of the Board.
9. Fees and expenses of the Board Member[s] shall be agreed to and shared equally by the Employer and the Contractor. If the Board requires special services, such as accounting, data research, and the like, both parties must agree and the costs shall be shared by them as mutually agreed.
10. Board Site visits :
 - a) The Board shall visit the Site and meet with representatives of the Employer and the Contractor and the Nodal Officer or his nominee at regular intervals, at times of critical construction events, and at the written request of either party. The timing of Site failing agreement shall be fixed by the Board.
 - b) Site meetings shall consist of an informal discussion of the status of the construction of the works followed by an inspection of the works, both attended by personnel from the Employer, the Contractor and the Nodal Officer or his nominee.
 - c) If requested by either party or the Board, the Employer will prepare minutes of the meetings and circulate them for comments of the parties and the Nodal Officer or his nominee.
11. Procedure for disputes referred to the Board :
 - a) If either party objects to any action or inaction of the other party or the Nodal Officer or his nominee, the objecting party may file a written Notice of Dispute to the other party with a copy to the Nodal Officer or his nominee stating that it is given pursuant to Clause 65 and stating clearly and in detail the basis of the dispute.
 - b) The party receiving the Notice of Dispute will consider it and respond in writing within 7 days after receipt.

- c) This response shall be final and conclusive on the subject, unless a written appeal to the response is filed with the responding party within 7 days of receiving the response. Both parties are encouraged to pursue the matter further to attempt to settle the dispute. When it appears that the dispute cannot be resolved without the assistance of the Board either party may refer the dispute to the Board by written Request for Recommendation to the Board, the other party and the Nodal Officer or his nominee stating that it is made pursuant to Clause 65.
- d) The Request for recommendation shall state clearly and in full detail the specific issues of the dispute to be considered by the Board.
- e) When a dispute is referred to the Board, and the Board is satisfied that the dispute requires the Board's assistance, the Board shall decide when to conduct a hearing on the dispute. The Board may request that written documentation and arguments from both parties be submitted to each Board Members before the hearing begins. The parties shall submit insofar as possible agreed statements of the relevant facts.
- f) During the hearing, the Contractor, the Employer, and the Nodal Officer or his nominee shall each have ample opportunity to be heard and to offer evidence. The Board's Recommendations for resolution of the dispute will be given in writing, to the Employer, the Contractor and the Nodal Officer or his nominee as soon as possible, and in any event not more than 28 days after the Board's final hearing on the dispute.

12. Conduct of Hearings :

- a) Normally hearing will be conducted at the Site, but any location that would be more convenient and still provide all required facilities and access to necessary documentation may be utilised by the Board. Private sessions of the Board may be held at any location convenient to the Board.
- b) The Employer, the Nodal Officer or his nominee and the Contractor shall have representatives at all hearings.
- c) During the hearings, no Board Member shall express any opinion concerning the merit of any facet of the case.

- d) After the hearing are concluded, the Board shall meet privately to formulate its Recommendations. All Board deliberations shall be conducted in private, with all individual views kept strictly confidential. The Board's Recommendations, together with an explanation of its reasoning shall be submitted in writing to both parties and to the Nodal Officer or his nominee. The Recommendations shall be based on the pertinent contract provisions, applicable laws and regulations, and the facts and circumstances involved in the dispute.

The Board shall make every effort to reach a unanimous Recommendation. If this proves impossible, the majority shall decide, and the dissenting member any prepare a written minority report for submission to both parties.

[Note : Delete if it is one member Board]

- 13. If during the contract period, the Employer and the Contractor are of the opinion that the Dispute Review Board is not performing its functions properly, the Employer and the Contractor may together disband the Disputes Review Board. In such an event, the disputes shall referred to Arbitration straightaway.

The Employer and the Contractor shall jointly sign a notice specifying that the Board shall stand disbanded with effect from the date specified in the notice. The notice shall be posted by a registered letter with AD or delivery of the letter, even if he refuses to do so.

SECTION 9

CONTRACT SUPERVISION

AND

MONITORING SYSTEM

CONTRACT SUPERVISION AND MONITORING SYSTEM

It has been experienced that in domestically contracted projects, litigation/arbitration and consequent delay occur mainly because PSUs do not have proper and adequate internal contract management systems. Even if standard conditions are incorporated and contract is a well thought out document, there are certain functions, which have to be taken by the PSUs to ensure proper implementation of the project through contract management. In implementation of contract, PSUs have to, depending upon the complexity involved, perform specialised functions such as Engineering, Finance, Cost Engineering, Quality Assurance and Inspection at Head Office and Erection, Site Finance, Field Quality Assurance etc., at the project site. Total project is to be broken down into smaller well-defined packages with a view to optimise the number of contracts to be needed for better planning, coordination and implementation of the whole project and at the same time to execute the project at an optimum cost to the owner. All these call for having a well organised contract management system at PSUs. However, our experience shows that contract management system in most of the Ministries/PSUs where time and cost over-run are very high, is not upto the mark. Absence of contract management system or loosely formulated system gives undue advantage to contractors through misuse of the arbitration, compensation and payment clauses to jack up their receipts, mask their poor performance, to manage their delays etc. In fact, contractors, in order to take such advantages, try to raise dispute and enter into long arbitration proceedings. Such disputes can be avoided once owners' contract management mechanism is active with sound planning and networking and ensures that all the related inter-linked activities, responsibility of which lies with the owner are taken up in time and joint inspection is undertaken regularly to monitor the progress of contractors work. The experience in implementation of projects shows that monitoring mechanism at the Ministry and PSU level is very slack in carrying out its duties. In fact, this is applicable for contractors who take up works on lumpsum contract where their responsibility is total. In general, contracts, the contracting company should use the system of owner for their internal management and faithfully follow the report the inputs required by the owners system.

THE REVIEW COMMITTEE FOR CONTRACT MANAGEMENT SYSTEM

Shri Sarveshwar Jha	Addl. Secretary, MOSPI	Chairman
Shri J.L. Narayan	Joint Advisor, MOSPI	Member
Director General, CPWD		Member
Engineer -in - Chief, Ministry of Defence		Member
Member - Technical, Railway Board		Member
Director - Engineers India Ltd.		Member
Shri Harish Chandra		Member
Dr. U. Kohli		Member
Dr. R. Kapur		Member
Shri Chander Verma		Member
Shri P.R. Swarup, Director General, CIDC		Member Secretary

THE COMMITTEE

Considering the long felt need for a review of Contract Clauses incorporated by Government Agencies in their prescribed Standard Bidding Documents for construction works, the Chairman, Construction Industry Development Council (CIDC) set up a Committee in July, 1996 for Standardisation and Rationalisation of Contract Documents for Domestic Bidding Contracts.

2. The Terms of Reference given to the Committee :

- To study current documents of various departments of Government as well as International Organisations and also the work of previous Committees / Working groups on this subject;
- To identify clauses which require discussion, to discuss alterations considered desirable and to suggest suitable modifications.

3. Composition of Committee :

CHAIRMAN : **Shri. Harish Chandra**
(Former DG, CPWD, Former Member
UPSC and Chairman, Planning
Commission's Working Group on
Construction : 1989-90)

MEMBERS

ORGANISATION	REPRESENTED BY
i) Ministry of Finance	Shri V.K. Dhall, Addl. Secretary (Expenditure) Dr. S.K. Sarkar, Director
ii) Railway Board	Shri U.R. Chopra, Addl. Member (Works) Shri M.M. Goyal, Addl. Member (Projects) Shri L.C. Jain, Addl. Member (Works))
iii) Central Public Works Department	Shri P.B. Vijay, Director General Shri S.C. Gupta, Chief Engineer (SPG) Shri Shyam Kishore, Chief Engineer (CSG) Shri C.S. Prasad, Suptg. Engineer (SPG)

ORGANISATION	REPRESENTED BY
iv) Engineers-in-Chief (Ministry of Defence)	Shri K. Prabhakar Rao, Addl. Director General Shri. R.D. Mirza, Chief Surveyor of Works Shri S.K. Rao, Chief Surveyor of Works
v) Ministry of Surface Transport	Shri A.D. Narain, DG (Roads Development) Shri N.K. Sinha, Chief Engineer
vi) EXIM Bank*	Shri S.Sridhar, Regional Resident Representative
vii) Engineers India Ltd	Shri K. Satyanarayanan, Director (Commercial) Shri M.M. Lal, Executive Director Shri M. Bindumadhav, DGM (Contracts) Shri P.K. Roy, General Manager
viii) NTPC*	
xi) Hindustan Construction Company Ltd	Shri Ajit Gulabchand, Chairman Shri D.M. Savur, Executive Director Smt. Niyati Sareen, Manager (Mktg.)
x) Continental Construction Ltd	Shri Chander Verma, Managing Director Shri N.K. Bahri, Vice-President
xi) Larsen & Toubro Ltd.	Shri A.R. Sule, GM (Intl Business Unit) Shri D.B. Mody, Regional Manager
xii) Jaiprakash Associates	Shri H.V. Mirchandani, Advisor
xii) Tata Electrical Company, Mumbai*	

CO-OPTED MEMBERS

xiv) Builder's Association of India (Delhi Centre)	Shri Rajpal Arora, General Secretary
xv) Unitech Ltd	Dr. R. Kapur, Director Col. M.K. Soota, Consultant

ORGANISATION	REPRESENTED BY
xvi) Gas Authority of India Ltd.	Shri P.C. Gupta, Executive Director
xvii) Ministry of Law, Justice and Company Affairs	Shri V.V. Singh, Legal Advisor
xviii) Ministry of Urban Affairs and Employment	Shri V.N. Kaila, Chief Controller of Accounts
xix) Punj Lloyd Ltd.	Shri Atul Punj, Managing Director Maj. Gen. H.S. Sodhi (Retd.), Executive Director
xx) Som Datt Builders Ltd.	Dr. Som Datt, Chairman Shri K.S. Kharb, Executive Director
xxi) Trett Consulting	Shri Anthony W. Fletcher, Managing Director
MEMBER SECRETARY	Shri P.R. Swarup, Director CIDC

Shri L.R. Gupta, Former Director General (Works), CPWD gave useful suggestions on his behalf and on behalf of the Builder's Association of India.

*** These Members could not participate in the deliberations of the Committee.**

- During 1996-97, the Committee held several meetings. Chairman also appointed five sub-committees which held their discussions and submitted their Reports which were considered by the Main Committee. Draft Recommendations of the Committee were also discussed on July 31, 1997 in a Workshop in which a larger number of medium and small construction organisations participated. Incorporating various suggestion that emerged from this Workshop, the draft was finalised and put up to the Governing body of CIDC.

INFRASTRUCTURE PROJECTS



◀ METRO COACH



UPSTREAM VIEW OF DULHASTI CONCRETE DAM ▶



DRILLING RIG BEING ASSEMBLED AT IMPROVED
OIL RECOVERY SCHEME IN RUDRASAGAR ▶

◀ PROCESS CUM COMPRESSOR PLATFORM,
MUMBAI HIGH SOUTH REDEVELOPMENT

