

# **STANDARD BIDDING DOCUMENT (SBD)**

## **DESIGN, SUPPLY & INSTALLATION OF PLANT & EQUIPMENT (TURNKEY BASIS)**



**STEEL AUTHORITY OF INDIA LIMITED**

December 2020



### MESSAGE

SAIL periodically undertakes up-gradation of its Plants & Equipment facilities in order to maintain its market competitiveness as well as to comply with the relevant statutory rules & regulations under the Environmental policies of GoI. With a view to improve transparency in decision making and reduce the scope for subjectivity, adopting efficient Tendering & Contracts Management Systems of SAIL can contribute significantly to early finalization of tenders and effective execution of projects without contractual dispute.

In view of the continual developments in the business environment, issues faced during execution in the recent Modernisation and Expansion Plan as well as for aligning to the latest Government Rules & Guidelines viz. introduction of Goods & Service Tax, Change in base date for calculating variation in prices, Guidelines concerning bidder from a country which shares a Land border with India etc., it was imperative that SBD was reviewed and updated to make it more market responsive.

It is heartening to note that after detailed deliberations with all the stakeholders and drawing upon the experiences of tendering & order finalization, Projects Directorate has published the revised Standard Bidding Document 2020 (SBD-2020).

With the modified provisions viz. Consortium bidding; Dispute Settlement including Arbitration clauses including settlement through Outside Expert Committee; Prices for imported supplies on CIF basis; Goods & Service Tax and relevant changes in Price schedules etc.; Price Variation to incorporate the provision of price adjustment and latest RBI indices in price adjustment formulae; Commissioning; inclusion of 2 years Operation & Maintenance Spares; Foreclosure; Payment terms, etc., the SBD-2020 has been well designed to achieve its objective of further streamlining the Tendering & Contracts Management Systems of SAIL.

I am confident that SBD-2020 will facilitate better transparency in tendering & evaluation, effective implementation of projects and reduced incidences of disputes, thereby promoting ease of doing business with SAIL.

**(Soma Mondal)**



## FOREWORD

The Standard Bidding Document (SBD) is the main guiding force behind the tendering/bidding process in SAIL projects. SAIL has been one of the pioneer organizations to have formulated the SBD way back in the year 2000 drawing its strength from various authorities in the field including the World Bank, Asian Development Bank etc. This was also a step towards 'One/ Unified SAIL' with a standardized set of Contract Terms and Conditions across all SAIL Plants & Units. The last 20 years have seen the successful adoption of the SBD in the company with couple of revisions in between and the last version in vogue since 2014.

As an agile organization, it is imperative that the SBD remains responsive to the present environment, in sync with the latest guidelines as well as lays the ground for the next phase of Modernisation and Expansion. The current revised version of the SBD i.e. SBD-2020 is in line with this objective, prepared after extensive deliberations with various stakeholders including major bidders of SAIL.

The SBD-2020 incorporates amendments made in specific clauses related to Consortium; Dispute Settlement including Arbitration; Prices for imported supplies on CIF basis; Goods & Service Tax and relevant changes in Price schedules; Price Variation; Commissioning, etc. Further, clauses for two years Operation and Maintenance Spares, Foreclosure etc. along with latest Govt. of India guidelines have also been incorporated.

I am sure that the SBD-2020 would help in further streamlining the Tendering and Contracts Management Systems of SAIL as well as bringing in more transparency in tendering/bidding and evaluation process. The painstaking efforts taken by all to finalize the SBD-2020 would, thus, be greatly justified.

(Harinand Rai)

Director (Technical, Projects and Raw Materials)

## **GENERAL INDEX**

<b>1</b>	<b>Section - I</b>	<b>1-27</b>
	• <b>Invitation for Bids (IFB)</b>	2-3
	• <b>Bid Data Sheet (BDS)</b>	4-8
	• <b>Special Conditions of Contract (SCC)</b>	9-11
	• <b>Integrity Pact</b>	12-27
<b>2</b>	<b>Section - II</b>	
	• <b>Instructions to Bidders (ITB)</b>	<b>1-45</b>
	Annexure-1: Bid Form	27
	Annexure-2: Bid Security Bank Guarantee Form	28-29
	Annexure-3: Guidelines for Indian Agents of Foreign Suppliers	30-33
	Annexure-4: Consortium Agreement	34-36
	Annexure-5: Undertaking by Licensor	37
	Annexure-6: Check list for submission of Bid	38
	Annexure-7: Self Certification and Undertaking by Bidder regarding NCLT	39
	Annexure-8: Non-Collusive Tendering Certificate	40-41
	Annexure-9: Bid-Securing Declaration	42
	Annexure-10: Compliance from bidder on Country sharing land border with India	43-45
	• <b>Form of Contract Agreement (FCA)</b>	<b>46-92</b>
	Appendix -1: Price Schedule	53-69
	Appendix -2: Time Schedule	70-75
	Appendix -3: Terms of Payment	76-80
	• Format of letter of credit	81-82
	Appendix -4: Price adjustment due to variation in price indices	83-89
	Appendix -5: Performance Guarantees	90-91
	Appendix -6: List of approved vendors	92
	• <b>General Conditions of contract (GCC)</b>	<b>93-164</b>
	Annexure-I: Performance Bank Guarantee	165-166
	Annexure-II: Bank Guarantee for Release of Payment	167-168
	Annexure-III: Proforma for Custody Cum Indemnity Bond	169
	Annexure-IV: Form of Preliminary Acceptance Certificate	170
	Annexure-V: Form of Commissioning Certificate	171
	Annexure-VI: Form of Performance Guarantee Certificate	172
	Annexure-VII: Form of Final Acceptance Certificate	173
	Annexure-VIII: Form of Change Order	174
	Annexure-IX: Bank Guarantee for Interim Advance	175-177
	Annexure-X: Joint Deed of Undertaking (Licensor & Licensee)	178-179
	Annexure-XI: Bank Guarantee for taking out material from Plant/Unit	180-182
	Annexure-XII: Form of Deferred supply of Goods	183
	Annexure-XIII: Format for Hindrance Register	184
	• <b>Safety Code for Contactors</b>	<b>186-219</b>
	• <b>Acronym</b>	<b>220</b>



## **Section - I**

- **Invitation for Bids (IFB)**
- **Bid Data Sheet (BDS)**
- **Special Conditions of Contract (SCC)**
- **Integrity Pact**



**STEEL AUTHORITY OF INDIA LIMITED**

## INDEX

1	Invitation for Bids	2-3
2	Bid Data Sheet (BDS)	4-8
3	Special Conditions of Contract (SCC)	9-11
4	Integrity Pact	12-27

## INVITATION FOR BIDS

1. Steel Authority of India Limited, ..... ***[Name of the Plant/Unit]***, invites sealed bids from eligible/ prequalified Bidders for the Facilities ***[brief description of the Facilities]*** on Divisible Turnkey Contract basis.
2. Interested Bidders may obtain further information from the office of ..... ***[name, address and telefax/ e-mail/ telephone numbers of appropriate office of the Employer]***.
3. A complete set of bidding documents may be purchased by any interested Bidder on submission of a written application to the above.
4. Bidder may also down load the bidding documents from SAIL tender website at **www.sailtenders.co.in** and submit the bid along with cost of bidding documents.
5. Salient features of the of the bid

Tender No.	
Description	
Cost of Bidding Document (Non Refundable and Not Exempted)	Rs..... (Indian Rupees ..... only)
Sale of Tender Documents	Start : ..... Close: .....
Pre-bid conference	Yes/ No If Yes, Date & Time..... Venue.....
Tender Submission	..... by ..... Hrs IST
Place of Submission of Bid	
Opening of Tender	..... by ..... Hrs IST
Bid Security	Rs..... (Indian Rupees ..... only)
Time For Completion	..... months
Validity of Bid	..... days

6. The tender document consists of :-

Section - I

- i) Invitation for Bid (IFB)
- ii) Bid Data Sheet (BDS)
- iii) Special conditions of contract (SCC)
- iv) Technical Specification No. ....
- v) General Technical Specifications (GTS), if any

Section - II

- i) Instruction to Bidders (ITB)
- ii) Form of Contract Agreement
- iii) General Conditions of Contract (GCC)
- iv) Safety code for contractors
- v) Integrity Pact, if any

7. The documents listed in Section-II can be downloaded from **Standard Document section** in home page of website [www.sailtenders.co.in](http://www.sailtenders.co.in) or hard copy can be obtained along with the tender documents.

8. The bid will consist of three parts, Part-I - "Cost of tender document, Bid Security", Part-II - "Eligibility Criteria Fulfillment & Techno-Commercial Bid (along with Integrity pact, if applicable)" & Part-III - "Price Bids" only.

9. Bids must be accompanied by the bid security in the following forms:

- (a) a Bank Demand Draft / Banker's Cheque/ Pay Order from scheduled Commercial Bank (except Co-operative and Gramin Bank) or
- (b) a Bank Guarantee from scheduled Commercial Bank (except Co-operative and Gramin Bank) in the form provided in the bidding documents or
- (c) Proof of transaction through TT remittance / online transfer - NEFT, RTGS, SWIFT (i.e. Electronic mode of payment is allowed) or
- (d) Bid Securing Declaration as per format at Annexure of ITB

Signature: \_\_\_\_\_

Name and Title of the \_\_\_\_\_

Authorised person \_\_\_\_\_

Employer : \_\_\_\_\_

Seal:



## BID DATA SHEET

The following bid-specific data for the Facilities including plant and equipment to be procured, installed & commissioned, shall amend and/or supplement the provisions in the Invitation for Bids (IFB) and Instructions to Bidders (ITB). Whenever there is a conflict, the provisions herein shall prevail over those in the IFB and ITB.

***[The notes in italics provide instructions for completing the Bid Data Sheet for the relevant ITB clauses.]***

Name of Facilities	
Contract Name	
Name of Employer	
Employer details	<i>[Address of Employer; telephone, telefax numbers &amp; e-mail]</i>
Name of Consultant	
Language of bid ITB 7.1	English
Eligibility/ Qualification requirements for Bidders  ITB 1.1 ITB 8.3 (b) & (c) ITB 22.5	<p><i>[Minimum acceptable levels with regard to Bidder's experience in design &amp; engineering, supplying, installing &amp; commissioning the Facilities with comparable technical parameters, its manufacturing and installation capacity, its financial viability and other factors. If Bidders were pre-qualified, this item should include a request to update the information provided for pre-qualification.]</i></p> <p><b>Financial Eligibility:</b> For determination of Financial eligibility, apart from Turnover criteria, net worth should be positive in the preceding Financial year, as per Audited annual accounts. For Consortium Bidding the same applies to all the parties. Financial Year means, the accounting year accepted by the prevailing law of respective Country.</p> <p>Further, no Corporate Insolvency Resolution/Liquidation Process should have commenced in respect of the Bidder under National Company Law Tribunal (NCLT). (A self declaration in the prescribed format (Annexure-7) by the Bidder to this effect shall be submitted)</p> <p>Further, in cases of Consortium bidding, no Corporate Insolvency Resolution/Liquidation Process should have commenced in respect of the Bidder under National Company Law Tribunal (NCLT) for any of the member, at the time of Bid submission and the self-declaration in the prescribed format (Annexure-7) shall be submitted individually by each member of the Consortium.</p> <p>In case of Consortium bidding, Minimum Turnover requirement for each Consortium member = Total Turnover Requirement set forth in Eligibility X % of scope of work in value terms of total contract value declared in Consortium Agreement (MoA).</p> <p>In compliance to 'Restriction under Rule 144 (xi) in the General Finance Rules (GFRs) 2017' of Govt. of India (regarding Country of Bidder sharing a land border with India), the Bidders shall submit certificate/undertaking regarding guidelines given at Annexure-10. In cases of Consortium bidding, certificate/undertaking shall be submitted individually by each member of the Consortium.</p> <p><b>Date of exchange rate:</b> The SBITT Selling Card Rate of exchange on the respective Balance Sheet date to be taken.</p> <p>Any subsidiary/ wholly owned subsidiary/ sister concern not fulfilling the</p>

	eligibility criteria on its own strength but submitting bid furnishing credentials of their parent company and vice versa, will not be considered eligible.
Bids on Consortium arrangement ITB 8.3 (b)- (i to viii) Attachment-2, Bidder's eligibility	Acceptable / not acceptable. <i>[Delete the inapplicable option.]</i>  <i>[Plant along with Consultant to decide whether Consortium Bidding shall be acceptable or Not (at FR stage) and accordingly delete the inapplicable option]</i>
Leader of Consortium ITB 8.3 (b)- (i to viii) Attachment-2, Bidder's eligibility	"Technology supplier and having minimum..... % of job or share of work in value terms" / "Member having maximum job or share of work in value terms"/ "Not Applicable" <i>[Delete the inapplicable option.]</i>  <i>[Plant along with Consultant shall indicate whether the technology supplier should be the consortium leader (during preparation of EC).If Technology Supplier should necessarily be the Leader, then Plant along with Consultant shall indicate the minimum..... % of job or share of work in value terms on case to case basis. Accordingly inapplicable option shall be deleted]</i>
Bids on licensing arrangement ITB 8.3 (b)- (ix) Attachment-2, Bidder's eligibility	Acceptable / not acceptable. <i>[Delete the inapplicable option.]</i>  <i>[Where bids on licensing arrangement are acceptable, the Employer shall specify clearly indicating the specific requirements, if any.]</i>
Bids inclusive of 2 years O&M Spares	Applicable / not applicable. <i>[Delete the inapplicable option.]</i>  <i>[Plant along with Consultant to decide whether Bids with inclusion of 2 years O&amp;M spares shall be applicable or Not (at FR stage) and accordingly delete the inapplicable option]</i>
Spares (if supply of 2 years O&M Spares is not part of Contract Price) ITB 8.3 (c) (ii)	List of O&M Spares required for operation of 2 years following completion of the Facilities  <i>[To be deleted if 2 years O&amp;M Spares is part of Contract Price]</i>
Alternative Bids ITB 8.3 (f)	Acceptable / not acceptable. <i>[Delete the inapplicable option.]</i>  <i>[Where alternative bids are acceptable, the Employer shall specify clearly indicating the specific requirements, if any.]</i>
Bid Currencies	In addition to Indian Rupees, the Bidders may use any foreign currency as available at RBI Reference rate viz USD, EURO, GBP, YEN.
Amount of Bid Security ITB 11.1	Indian Rupees.....(Rupees ..... ) Or As per RBI reference rate (USD, EURO, GBP, YEN) ..... <i>[This amount shall be the same as that indicated in IFB.]</i>  Exemption from furnishing Bid Security shall be as per the extant Guidelines of the Government of India <b>existing on the date of BID</b>

	<p><b>submission”</b></p> <p>Consortium bidder will be exempted from submitting bid security only if each and every individual member is exempted (as per extant Government Guidelines existing on the date of BID submission). In case even one member is not exempted, the consortium as a whole shall be required to submit the stipulated Bid Security along with their Bid.</p> <p>In place of Bid Security, Bidder may provide a signed copy of Bid Securing Declaration as per format at Annexure-9 of ITB.</p>
Bid Validity Period ITB 12.1	<p>Bid shall be valid for .....days from ..... (Deadline for submission of Bid).</p> <p><i>[The period should be sufficient to complete the evaluation and comparison of bids. Normally, the validity period should be one hundred eighty (180) days. A realistic period should be specified in order to avoid the need for extensions.]</i></p>
Copies ITB 13.1, 17.2 (a)	Original and ten (10) along with soft copy in appropriate and protected media
Bid Submission ITB 14.2, 15.1	<p>Address of Employer for bid submission</p> <p>.....</p> <p>.....</p> <p>.....</p> <p><i>[Name and address of the office of the Employer at which bids shall be submitted.]</i></p> <p>Deadline for bid submission..... (date) ..... (time)</p>
Bid Opening ITB 14.2 (b) & 18.1	<p>Bids shall be opened at ..... (time)</p> <p>on ..... (date)</p> <p>in the office of the Employer</p> <p>.....</p> <p>.....</p> <p><i>(Time, date and location of bid opening)</i></p>
Deviations in Bid ITB 20.3	<p>Generally no deviation is acceptable against the tender documents.</p> <p><i>(Name of the clauses against which no deviations are acceptable, should be specified clearly. If any Bidder does not comply with this provision its bid shall be considered as non-responsive and rejected.)</i></p>
Technical evaluation of bid	<p>As per TS</p> <p>The following additional criteria will be used in the evaluation in the manner stated thereunder : <i>(Optional)</i></p>
Conversion to single currency ITB 26.2	<p>Currency chosen for the purpose of converting to a common currency shall be local currency, i.e. Rupees (INR).</p> <p>Source of exchange rate:</p> <p><i>[As the common currency shall be the local currency, exchange rate shall be, the RBI Reference Rate, which will be used for converting prices quoted in foreign currencies.]</i></p> <p>Date of exchange rate:</p> <p>The RBI Reference Rate of exchange on the last date of Bid submission shall be considered.</p>

Price bid evaluation ITB 25.3	<p>The following criteria will be used in the evaluation in the manner stated below:</p> <p>i) The taxes &amp; duties, which are to be borne and paid by the Employer, shall be considered on the quoted price for imported supplies &amp; services for the purpose of price evaluation as follows.</p>
	<ul style="list-style-type: none"> <li>• <b>Basic custom duty (BCD) at the prevailing rate</b> on the <b>CIF</b> value of supply, and applicable taxes, duties, cess etc. on imported supplies as prevailing on Base date.</li> </ul>
	<ul style="list-style-type: none"> <li>• The price evaluation will be done on the basis of “Net of Input Tax Credit”. The Input Tax Credit will constitute the IGST on imported supplies and imported services and the Input Tax Credit on GST on indigenous supplies &amp; services, quoted by the Bidder in the Summary Price Table.</li> </ul>
Time Schedule ITB 25.5 (b)	<p>Time to complete the facilities from the effective date specified in Article 3 of the Contract Agreement for determining time for completion of pre-commissioning activities.</p> <p><i>[The completion time specified shall be for the entire facilities.]</i></p>
Performance Guarantees ITB 25.5 (c)	<p>The Bidder shall quote his price conforming to the Performance Guarantee parameters and the acceptable limits as specified in the Technical Specifications.</p>
Additional details on the evaluation ITB 25.5 (e)	<p>Additional details, as appropriate, on the evaluation method or reference to the Technical Specifications (<i>Optional</i>)</p>
Amount of Performance Security (Performance Bank Guarantee) ITB 33.1	<p>Performance Security amount shall be seven and half percent (7.5%) of the Total Contract price in Rupees or any other foreign currency viz USD/ EURO/ GBP/ YEN.</p>
Surrounding Value of Project to be Insured GCC Clause 36.1.11	<p>The surrounding value for insurance purpose shall be considered as Rs.....(Indian Rupees ..... ) as per GCC Clause 36.1.11</p>
Undertakings for Compliance with Company Law ITB 38	<p>The Bidder must give declaration on the following:</p> <p>a) ‘Whether the proprietor / partner / Director of the firm/ company has any relationship within the meaning of Section 6 of the Companies Act 2013 with any of the employee working in the plants / units concerned or Director of SAIL including its subsidiaries’.</p> <p>b) ‘Whether the person or team representing the firm is also representing any other firm participating against the tender’.</p> <p>c) ‘Whether Bidder is currently serving any banning orders issued by SAIL debarring them from carrying on business dealings with SAIL’.</p> <p>The Bidder must also submit a “Non-collusive Tendering Certificate” against Cartelization as per Annexure-8.</p> <p>Non-disclosure/ Incorrect disclosure of the above details factually by a firm either on its own while submitting its offer or upon enquiry at the option of SAIL during the scrutiny of its offer may invite penal action against the firm, which may include rejection of the offer, suspension of business dealings or both.</p>



Annexure Integrity Pact ITB 8.3(b) Attachment 7  Independent External Monitor(s)	Integrity pact to be signed (Yes/ No ) <i>[Strike our whichever not applicable]</i>  Furnish Names
Mandatory % towards Erection & Site activities	Yes/No <i>[If Yes, the Minimum ... % of total bid price (summary price schedule) shall be quoted towards Erection &amp; Site activities(i.e serial numbers 7 &amp; 8 of Summary Price Schedule.)]</i>
Part PAC / Part Commissioning	Yes/ No <i>(If yes, details to be incorporated in Technical Specification &amp; NIT such that the logical splitting of Package, in technical as well as payment terms can be made before 'issue of NIT')</i>
Mobilisation Advance	Yes/ No <i>(if yes, details including mode of recovery to be indicated in IFB)</i>
Pre-bid conference	Yes/No <i>(In case of Pre-bid conference, date, time &amp; venue may be mentioned.)</i>

## SPECIAL CONDITIONS OF CONTRACT

The following Special Conditions of Contract [SCC] shall supplement the General Conditions of Contract [GCC]. Whenever there is a conflict, the provisions herein shall prevail over those in the GCC. The corresponding clause number of the GCC is indicated in parentheses.

### 1. Definitions [GCC Clause 1]

#### 1.1 Employer

Steel Authority of India Limited  
\_\_\_\_\_ Steel Plant

\_\_\_\_\_  
*[Name and address]*

Telephone No. \_\_\_\_\_

e-mail \_\_\_\_\_

Facsimile No. \_\_\_\_\_

#### 1.2 Project Manager

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
*[Name and address]*

Telephone No. \_\_\_\_\_

e-mail \_\_\_\_\_

Facsimile No. \_\_\_\_\_

#### 1.3 Contractor

M/s. \_\_\_\_\_

\_\_\_\_\_  
*(Name and address)*

Telephone No. \_\_\_\_\_

e-mail \_\_\_\_\_

Facsimile No. \_\_\_\_\_

#### 1.4 Consultant

M/s. \_\_\_\_\_

\_\_\_\_\_  
*(Name and address)*

Telephone No. \_\_\_\_\_

e-mail \_\_\_\_\_

Facsimile No. \_\_\_\_\_

#### 1.5 Paying Authority :

\_\_\_\_\_  
*(Name and address)*

Telephone No. \_\_\_\_\_

e-mail \_\_\_\_\_

Facsimile No. \_\_\_\_\_

## 2. Notices [GCC Clause 4]

### 2.1 Employer's Address for Notice purposes [Reference GCC Sub-Clause 4.1]

Steel Authority of India Limited  
 \_\_\_\_\_ Steel Plant

\_\_\_\_\_  
 [Name and address]

Telephone No. \_\_\_\_\_

e-mail \_\_\_\_\_

Facsimile No. \_\_\_\_\_

### 2.2 Contractor's Address for Notice purposes [Reference GCC Sub-Clause 4.1]

M/s. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
 [Name and address]

Telephone No. \_\_\_\_\_

e-mail \_\_\_\_\_

Facsimile No. \_\_\_\_\_

### 3.0 Transportation by Wagons [Reference GCC Clause 21.4.2]

The destination for consignments to be despatched by wagons by the Contractor shall be as under:

\_\_\_\_\_ (Name of the Railway Station where site is situated).

### 4.0 Mobilisation Advance

(Details of providing Mobilisation Advance including mode of recovery to be given, if applicable)

### 5.0 Finalisation of Billing Protocol.

After the signing of Contract and during the Kick-off meeting, Billing protocol shall be mutually agreed to and finalised.

### 6.0 Break-up of facilities for part PAC/ part Commissioning

[Details to be incorporated in Technical Specification & NIT such that the logical splitting of Package (i.e break-up of facilities for part **PAC/ part Commissioning**), in technical as well as payment terms, can be made before 'issue of NIT']

### 7.0 Revised clauses of GCC (for Turnkey Contracts not having '2 years O&M Spares' as part of Contract Price) – Strike out if not applicable

Changed clauses of GCC (Turnkey Contracts not having '2 years O&M Spares' as part of Contract Price)	
GCC Clause	To be Read as
27.4	In case the Contractor expresses its inability to achieve the performance guarantee parameters but attains above the minimum acceptance level of

<b>Changed clauses of GCC (Turnkey Contracts not having '2 years O&amp;M Spares' as part of Contract Price)</b>	
<b>GCC Clause</b>	<b>To be Read as</b>
	<p>performance guarantee parameters, as specified in <b>Appendix-5</b> to the Contract Agreement, either in whole or in part in spite of repeated performance guarantee tests conducted by the Contractor, the Employer shall recover the amount of Liquidated Damages along with GST, but not by way of penalty, by making deductions from the Contractor's account or as a last resort by encashment of Contractor's Bank Guarantee(s) at the rate specified in <b>Appendix-5</b> to the Contract Agreement for the respective items, subject to a maximum of seven and half percent (7.5%) of the Contract Price plus escalation, if any, excluding taxes and duties, in respect of the failure to meet the minimum level of performance guarantees in accordance with the provisions in <b>Appendix-5</b> to Contract Agreement.</p> <p>The Employer shall not reject the plant &amp; equipment after commissioning and achievement of minimum acceptance level of performance guarantee parameters. After successful commissioning and achievement of the minimum acceptance level of performance guarantee parameters, the total liability of the contractor on account of delay and demonstration of maximum PG parameters shall not be more than Liquidated Damages.</p> <p>In case, even after all possible repairs and replacements the Contractor fails to attain the minimum level of performance guarantee parameters, the Employer may reject the Facility and recover the entire cost paid to the Contractor or alternatively the Employer may proceed for commercial settlement with the Contractor for acceptance of the Facilities at the negotiated Price.</p>
<b>27.4.1</b>	In case, the Contractor is a Consortium, the Employer shall recover the amount of Liquidated Damages along with GST, but not by way of penalty, by making deductions from the account of each member of Consortium, or by encashment of their Bank Guarantees, subject to a maximum of seven and half percent (7.5%) of the Contract Price plus escalation, if any, excluding taxes and duties of the respective Scope of Facilities. However, each member of Consortium, will be liable for damages in the ratio of the respective Contract price.
<b>29.2.1</b>	If the Contractor fails to attain "Completion of the Facilities" as defined in <b>Clause 1</b> hereof, within the Time for Completion or any extension thereof under <b>Clause 42</b> hereof, due to reasons attributable to the Contractor, the Employer shall recover the amount of Liquidated Damages along with GST, but not by way of penalty, by making deductions from the Contractor's account or by encashment of Contractor's Bank Guarantees at the rate of 0.5% of the Contract Price plus escalation, if any, excluding taxes & duties per complete week of delay up to a maximum of 5% of the Contract Price plus escalation, if any, excluding taxes & duties.
<b>29.2.2</b>	In case, the Contractor is a Consortium, the Employer shall recover the amount of Liquidated Damages along with GST, but not by way of penalty, by making deductions from the account of each member of Consortium, or as a last resort by encashment of their Bank Guarantees hereof, up to a maximum of 5% of the Contract Price plus escalation, if any, excluding taxes & duties of the respective Scope of Facilities. However, each member of Consortium, will be liable for damages in the ratio of the respective Contract price.
<b>29.6</b>	DELETED/ Not applicable



*(Signed copy to be provided)*

**INTEGRITY PACT**

Between

**Steel Authority of India Limited (SAIL)** hereinafter referred to as “**The Principal**”,  
and

..... hereinafter referred to as “**The Bidder/ Contractor**”

**Preamble**

The Principal intends to award, under laid down organizational procedures, contract/s for.....The Principal values full compliance with all relevant laws of the land, rules, regulations, economic use of resources and of fairness / transparency in its relations with its Bidder(s) and / or Contractor(s).

In order to achieve these goals, the Principal will appoint Independent External Monitors (IEMs) who will monitor the tender process and the execution of the contract for compliance with the principles mentioned above.

**Section 1 – Commitments of the Principal**

- (1) The Principal commits itself to take all measures necessary to prevent corruption and to observe the following principles:-
  - a. No employee of the Principal, personally or through family members, will in connection with the tender for , or the execution of a contract, demand, take a promise for or accept, for self or third person, any material or immaterial benefit which the person is not legally entitled to.
  - b. The Principal will, during the tender process treat all Bidder(s) with equity and reason. The Principal will in particular, before and during the tender process, provide to all Bidder(s) the same information and will not provide to any Bidder(s) confidential / additional information through which the Bidder(s) could obtain an advantage in relation to the tender process or the contract execution.
  - c. The Principal will exclude from the process all known prejudiced persons.
- (2) If the Principal obtains information on the conduct of any of its employees which is a criminal offence under the IPC/PC Act, or if there be a substantive suspicion in this regard, the Principal will inform the Chief Vigilance Officer and in addition can initiate disciplinary actions.

**Section 2 – Commitments of the Bidder(s)/ Contractor(s)**

- (1) The Bidder(s)/ Contractor(s) commit themselves to take all measures necessary to prevent corruption. The Bidder(s)/ Contractor(s) commit themselves to observe the following principles during participation in the tender process and during the contract execution.
  - a. The Bidder(s)/ Contractor(s) will not, directly or through any other person or firm, offer, promise or give to any of the Principal's employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which he/she is not legally entitled to, in order to obtain in exchange any

advantage of any kind whatsoever during the tender process or during the execution of the contract.

- b. The Bidder(s)/ Contractor(s) will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelisation in the bidding process.
  - c. The Bidder(s)/ Contractor(s) will not commit any offence under the relevant IPC/PC Act; further the Bidder(s)/ Contractor(s) will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the Principal as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
  - d. The Bidder(s)/Contractors(s) of foreign origin shall disclose the name and address of the Agents/representatives in India, if any. Similarly the Bidder(s)/Contractors(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any. Further details as mentioned in the "Guidelines on Indian Agents of Foreign Suppliers" shall be disclosed by the Bidder(s)/Contractor(s). Further, as mentioned in the Guidelines all the payments made to the Indian agent/representative have to be in Indian Rupees only. Copy of the "Guidelines on Indian Agents of Foreign Suppliers" is placed at (page nos. 6-7)
  - e. The Bidder(s)/ Contractor(s) will, when presenting their bid, disclose any and all payments made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.
  - f. Bidder(s) /Contractor(s) who have signed the Integrity Pact shall not approach the Courts while representing the matter to IEMs and shall wait for their decision in the matter.
- (2) The Bidder(s)/ Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.

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

If the Bidder(s)/Contractor(s), before award or during execution has committed a transgression through a violation of Section 2, above or in any other form such as to put their reliability or credibility in question, the Principal is entitled to disqualify the Bidder(s)/Contractor(s) from the tender process or take action as per the procedure mentioned in the "Guidelines on Banning of business dealings". Copy of the "Guidelines on Banning of business dealings" is placed at (page nos. 8-17).

### **Section 4 – Compensation for Damages**

- (1) If the Principal has disqualified the Bidder(s) from the tender process prior to the award according to Section 3, the Principal is entitled to demand and recover the damages equivalent to Earnest Money Deposit/ Bid Security.
- (2) If the Principal has terminated the contract according to Section 3, or if the Principal is entitled to terminate the contract according to Section 3, the Principal shall be entitled to demand and recover from the Contractor liquidated damages of the Contract value or the amount equivalent to Performance Bank Guarantee.

### **Section 5 – Previous transgression**

- (1) The Bidder declares that no previous transgressions occurred in the last three years with any other Company in any country conforming to the anti-corruption approach or with any Public Sector Enterprise in India that could justify his exclusion from the tender process.
- (2) If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process or action can be taken as per the procedure mentioned in “Guidelines on Banning of business dealings”.

### **Section 6 – Equal treatment of all Bidders / Contractors / Subcontractors**

- (1) In case of Sub-contracting, the Principal Contractor shall take the responsibility of the adoption of Integrity Pact by the Sub-contractor.
- (2) The Principal will enter into agreements with identical conditions as this one with all Bidders and Contractors.
- (3) The Principal will disqualify from the tender process all bidders who do not sign this Pact or violate its provisions.

### **Section 7 –Criminal charges against violating Bidder(s) / Contractor(s) / Subcontractor(s)**

If the Principal obtains knowledge of conduct of a Bidder, Contractor or Subcontractor, or of an employee or a representative or an associate of a Bidder, Contractor or Subcontractor which constitutes corruption, or if the Principal has substantive suspicion in this regard, the Principal will inform the same to the Chief Vigilance Officer.

### **Section 8 – Independent External Monitor**

- (1) The Principal appoints competent and credible Independent External Monitor for this Pact after approval by Central Vigilance Commission. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.
- (2) The Monitor is not subject to instructions by the representatives of the parties and performs his/her functions neutrally and independently. The Monitor would have access to all Contract documents, whenever required. It will be obligatory for him / her to treat the information and documents of the Bidders/Contractors as confidential. He/ she reports to the Chairman, SAIL.
- (3) The Bidder(s)/Contractor(s) accepts that the Monitor has the right to access without restriction to all Project documentation of the Principal including that provided by the Contractor. The Contractor will also grant the Monitor, upon his/her request and demonstration of a valid interest, unrestricted and unconditional access to their project documentation. The same is applicable to Sub-contractors.

- (4) The Monitor is under contractual obligation to treat the information and documents of the Bidder(s)/ Contractor(s)/ Sub-contractor(s) with confidentiality. The Monitor has also signed declarations on 'Non-Disclosure of Confidential Information' and of 'Absence of Conflict of Interest'. In case of any conflict of interest arising at a later date, the IEM shall inform Chairman, SAIL and recuse himself / herself from that case.
- (5) The Principal will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the Principal and the Contractor. The parties offer to the Monitor the option to participate in such meetings.
- (6) As soon as the Monitor notices, or believes to notice, a violation of this agreement, he/she will so inform the Management of the Principal and request the Management to discontinue or take corrective action, or to take other relevant action. The monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
- (7) The Monitor will submit a written report to the Chairman, SAIL within 8 to 10 weeks from the date of reference or intimation to him by the Principal and, should the occasion arise, submit proposals for correcting problematic situations.
- (8) If the Monitor has reported to the Chairman SAIL, a substantiated suspicion of an offence under relevant IPC/ PC Act, and the Chairman SAIL has not, within the reasonable time taken visible action to proceed against such offence or reported it to the Chief Vigilance Officer, the Monitor may also transmit this information directly to the Central Vigilance Commissioner.
- (9) The word '**Monitor**' would include both singular and plural.

## Section 9 – Pact Duration

This Pact begins when both parties have legally signed it. It expires for the Contractor 12 months after the last payment under the contract, and for all other Bidders 6 months after the contract has been awarded. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings.

If any claim is made / lodged during this time, the same shall be binding and continue to be valid despite the lapse of this pact as specified above, unless it is discharged / determined by Chairman of SAIL.



**Section 10 – Other provisions**

- (1) This agreement is subject to Indian Law. Place of performance and jurisdiction is the Registered Office of the Principal, i.e. New Delhi.
- (2) Changes and supplements as well as termination notices need to be made in writing. Side agreements have not been made.
- (3) If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.
- (4) Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.
- (5) Issues like Warranty / Guarantee etc. shall be outside the purview of IEMs.
- (6) In the event of any contradiction between the Integrity Pact and its Annexure, the Clause in the Integrity Pact will prevail.

\_\_\_\_\_  
(For & On behalf of the Principal)

\_\_\_\_\_  
(For & On behalf of Bidder/ Contractor)

(Office Seal)

(Office Seal)

Place -----

Date -----

Witness 1:

(Name & Address)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Witness 2:

(Name & Address)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## **GUIDELINES FOR INDIAN AGENTS OF FOREIGN SUPPLIERS**

- 1.0 There shall be compulsory registration of agents for all Global (Open) Tender and Limited Tender. An agent who is not registered with SAIL Plants/Units shall apply for registration in the prescribed Application –Form.
- 1.1 Registered agents will file an authenticated Photostat copy duly attested by a Notary Public/Original certificate of the principal confirming the agency agreement and giving the status being enjoyed by the agent and the commission/remuneration/salary/ retainer ship being paid by the principal to the agent before the placement of order by SAIL Plants/Units.
- 1.2 Wherever the Indian representatives have communicated on behalf of their principals and the foreign parties have stated that they are not paying any commission to the Indian agents, and the Indian representative is working on the basis of salary or as retainer, a written declaration to this effect should be submitted by the party (i.e. Principal) before finalizing the order

### **2.0 DISCLOSURE OF PARTICULARS OF AGENTS/ REPRESENTATIVES IN INDIA. IF ANY.**

- 2.1 Tenderers of Foreign nationality shall furnish the following details in their offer:
- 2.1.1 The name and address of the agents/representatives in India, if any and the extent of authorization and authority given to commit the Principals. In case the agent/representative be a foreign Company, it shall be confirmed whether it is real substantial Company and details of the same shall be furnished.
- 2.1.2 The amount of commission/remuneration included in the quoted price(s) for such agents/representatives in India.
- 2.1.3 Confirmation of the Tenderer that the commission/ remuneration if any, payable to his agents/representatives in India, may be paid by SAIL in Indian Rupees only.
- 2.2 Tenderers of Indian Nationality shall furnish the following details in their offers:
- 2.2.1 The name and address of the foreign principals indicating their nationality as well as their status, i.e, whether manufacturer or agents of manufacturer holding the Letter of Authority of the Principal specifically authorizing the agent to make an offer in India in response to tender either directly or through the agents/representatives.
- 2.2.2 The amount of commission/remuneration included in the price (s) quoted by the Tenderer for himself.
- 2.2.3 Confirmation of the foreign principals of the Tenderer that the commission/remuneration, if any, reserved for the Tenderer in the quoted price (s), may be paid by SAIL in India in equivalent Indian Rupees on satisfactory completion of the Project or supplies of Stores and Spares in case of operation items .

- 2.3 In either case, in the event of contract materializing, the terms of payment will provide for payment of the commission /remuneration, if any payable to the agents/representatives in India in Indian Rupees on expiry of 90 days after the discharge of the obligations under the contract.
- 2.4 Failure to furnish correct and detailed information as called for in paragraph-2.0 above will render the concerned tender liable to rejection or in the event of a contract materializing, the same liable to termination by SAIL. Besides this there would be a penalty of banning business dealings with SAIL or damage or payment of a named sum.

\*\*\*\*\*

---

## Guidelines on Banning of Business Dealing

### CONTENTS

<b>S.No.</b>		<b><u>Page(s)</u></b>
1.	<b>Introduction</b>	<b>20</b>
2.	<b>Scope</b>	<b>20</b>
3.	<b>Definitions</b>	<b>20-21</b>
4.	<b>Initiation of Banning / Suspension</b>	<b>22</b>
5.	<b>Suspension of Business Dealings</b>	<b>22-23</b>
6.	<b>Ground on which Banning of Business Dealing can be initiated</b>	<b>23-24</b>
7.	<b>Banning of Business Dealings</b>	<b>24-25</b>
8.	<b>Removal from List of Approved Agencies-Suppliers/ Contractors etc.</b>	<b>26</b>
9.	<b>Show-cause Notice</b>	<b>26</b>
10.	<b>Appeal against the Decision of the Competent Authority</b>	<b>26</b>
11.	<b>Review of the Decision by the Competent Authority</b>	<b>26</b>
12.	<b>Circulation of the names of Agencies with whom Business Dealings have been banned</b>	<b>27</b>

## 1. Introduction

- 1.1 Steel Authority of India Limited (SAIL), being a Public Sector Enterprise and 'State', within the meaning of Article 12 of Constitution of India, has to ensure preservation of rights enshrined in Chapter III of the Constitution. SAIL has also to safeguard its commercial interests. SAIL deals with Agencies, who have a very high degree of integrity, commitments and sincerity towards the work undertaken. It is not in the interest of SAIL to deal with Agencies who commit deception, fraud or other misconduct in the execution of contracts awarded / orders issued to them. In order to ensure compliance with the constitutional mandate, it is incumbent on SAIL to observe principles of natural justice before banning the business dealings with any Agency.
- 1.2 Since banning of business dealings involves civil consequences for an Agency concerned, it is incumbent that adequate opportunity of hearing is provided and the explanation, if tendered, is considered before passing any order in this regard keeping in view the facts and circumstances of the case.

## 2. Scope

- 2.1 The General Conditions of Contract (GCC) of SAIL generally provide that SAIL reserves its rights to remove from list of approved suppliers / contractors or to ban business dealings if any Agency has been found to have committed misconduct and also to suspend business dealings pending investigation. If such provision does not exist in any GCC, the same may be incorporated.
- 2.2 Similarly, in case of sale of material there is a clause to deal with the Agencies / customers / buyers, who indulge in lifting of material in unauthorized manner. If such a stipulation does not exist in any Sale Order, the same may be incorporated.
- 2.3 However, absence of such a clause does not in any way restrict the right of Company (SAIL) to take action / decision under these guidelines in appropriate cases.
- 2.4 The procedure of (i) Removal of Agency from the List of approved suppliers / contractors; (ii) Suspension and (iii) Banning of Business Dealing with Agencies, has been laid down in these guidelines.
- 2.5 These guidelines apply to all the Plants / Units and subsidiaries of SAIL.
- 2.6 It is clarified that these guidelines do not deal with the decision of the Management not to entertain any particular Agency due to its poor / inadequate performance or for any other reason.
- 2.7 The banning shall be with prospective effect, i.e., future business dealings.

## 3. Definitions

In these Guidelines, unless the context otherwise requires:

- i) 'Party/ Contractor/ Supplier/ Purchaser/ Customer/Bidder/Tenderer' shall mean and include a public limited company or a private limited company, a firm whether registered or not, an individual, a cooperative society or an association or a group of persons engaged in any commerce, trade, industry, etc. 'Party / Contractor / Supplier / Purchaser / Customer/ Bidder / Tenderer' in the context of these guidelines is indicated as 'Agency'.

- ii) *'Inter-connected Agency'* shall mean two or more companies having any of the following features:
- a) If one is a subsidiary of the other.
  - b) If the Director(s), Partner(s), Manager(s) or Representative(s) are common;
  - c) If management is common;
  - d) If one owns or controls the other in any manner;
- iii) *'Competent Authority'* and *'Appellate Authority'* shall mean the following:
- a) For Company (entire SAIL) Wide Banning  
The Director (Technical) shall be the *'Competent Authority'* for the purpose of these guidelines. Chairman, SAIL shall be the *'Appellate Authority'* in respect of such cases except banning of business dealings with Foreign Suppliers of imported coal/coke.
  - b) For banning of business dealings with Foreign Suppliers of imported coal/coke, SAIL Directors' Committee (SDC) shall be the *'Competent Authority'*. The Appeal against the Order passed by SDC, shall lie with Chairman, as First Appellate Authority.
  - c) In case the foreign supplier is not satisfied by the decision of the First Appellate Authority, it may approach SAIL Board as Second Appellate Authority.
  - d) For Plants / Units only  
Any officer not below the rank of General Manager / Addl Director appointed or nominated by the Chief Executive of concerned Plant / Unit shall be the *'Competent Authority'* for the purpose of these guidelines. The Chief Executives of the concerned Plants / Unit shall be the *'Appellate Authority'* in all such cases.
  - e) For Corporate Office only  
For procurement of items / award of contracts, to meet the requirement of Corporate Office only, Head of CMMG shall be the *'Competent Authority'* and Director (Technical) shall be the *'Appellate Authority'*.
  - e) Chairman, SAIL shall have overall power to take suo-moto action on any information available or received by him and pass such order(s) as he may think appropriate, including modifying the order(s) passed by any authority under these guidelines.
- iv) *'Investigating Department'* shall mean any Department or Unit investigating into the conduct of the Agency and shall include the Vigilance Department, Central Bureau of Investigation, the State Police or any other department set up by the Central or State Government having powers to investigate.
- v) *'List of approved Agencies - Parties / Contractors / Suppliers / Purchasers / Customers / Bidders / Tenderers'* shall mean and include list of approved / registered Agencies - *'Parties/ Contractors / Suppliers / Purchasers / Customers / Bidders / Tenderers'*, etc.

#### 4. Initiation of Banning / Suspension

Action for banning / suspension business dealings with any Agency should be initiated by the department having business dealings with them after noticing the irregularities or misconduct on their part. Besides the concerned department, Vigilance Department of each Plant / Unit /Corporate Vigilance may also be competent to advise such action.

#### 5. Suspension of Business Dealings

5.1 If the conduct of any Agency dealing with SAIL is under investigation by any department (except Foreign Suppliers of imported coal/coke), the Competent Authority may consider whether the allegations under investigation are of a serious nature and whether pending investigation, it would be advisable to continue business dealing with the Agency. If the Competent Authority, after consideration of the matter including the recommendation of the Investigating Department, if any, decides that it would not be in the interest to continue business dealings pending investigation, it may suspend business dealings with the Agency. The order to this effect may indicate a brief of the charges under investigation. If it is decided that inter-connected Agencies would also come within the ambit of the order of suspension, the same should be specifically stated in the order. The order of suspension would operate for a period not more than six months and may be communicated to the Agency as also to the Investigating Department. The Investigating Department may ensure that their investigation is completed and whole process of final order is over within such period.

5.2 The order of suspension shall be communicated to all Departmental Heads within the Plants / Units. During the period of suspension, no business dealing may be held with the Agency.

5.3 As far as possible, the existing contract(s) with the Agency may continue unless the Competent Authority, having regard to the circumstances of the case, decides otherwise.

5.4 If the gravity of the misconduct under investigation is very serious and it would not be in the interest of SAIL, as a whole, to deal with such an Agency pending investigation, the Competent Authority may send his recommendation to ED (CMMG), SAIL Corporate Office alongwith the material available. If Corporate Office considers that depending upon the gravity of the misconduct, it would not be desirable for all the Plants / Units and Subsidiaries of SAIL to have any dealings with the Agency concerned, an order suspending business dealings may be issued to all the Plants / Units by the Competent Authority of the Corporate Office, copy of which may be endorsed to the Agency concerned. Such an order would operate for a period of six months from the date of issue.

5.5 For suspension of business dealings with Foreign Suppliers of imported coal/coke, following shall be the procedure :-

i) Suspension of the foreign suppliers shall apply through out the Company including Subsidiaries.

ii) Based on the complaint forwarded by ED (CIG) or received directly by Corporate Vigilance, if gravity of the misconduct under investigation is found serious and it is felt that it would not be in the interest of SAIL to continue to deal with such agency, pending investigation, Corporate Vigilance may send such recommendation on the matter to Executive Director, Coal Import Group (ED, CIG) to place it before a Committee consisting of the following :



1. ED (F&A)/Head of Corporate Finance,
2. ED, CIG/Head of CIG –Convenor of the Committee
3. ED, CMMG/Head of CMMG, Corporate Office
4. ED (Law)/Head of Corporate Law

The committee shall expeditiously examine the report, give its comments/recommendations within twenty one days of receipt of the reference by ED, CIG.

- iii) The comments / recommendations of the Committee shall then be placed by ED, CIG before SAIL Directors' Committee (SDC) constituted for import of Coal. If SDC opines that it is a fit case for suspension, SDC may pass necessary orders which shall be communicated to the foreign supplier by ED, CIG.

- 5.6 If the Agency concerned asks for detailed reasons of suspension, the Agency may be informed that its conduct is under investigation. It is not necessary to enter into correspondence or argument with the Agency at this stage.
- 5.7 It is not necessary to give any show-cause notice or personal hearing to the Agency before issuing the order of suspension. However, if investigations are not complete in six months time, the Competent Authority may extend the period of suspension by another three months, during which period the investigations must be completed.

## **6. Ground on which Banning of Business Dealings can be initiated**

- 6.1 If the security consideration, including questions of loyalty of the Agency to the State, so warrants;
- 6.2 If the Director / Owner of the Agency, proprietor or partner of the firm, is convicted by a Court of Law for offences involving moral turpitude in relation to its business dealings with the Government or any other public sector enterprises or SAIL, during the last five years;
- 6.3 If there is strong justification for believing that the Directors, Proprietors, Partners, owner of the Agency have been guilty of malpractices such as bribery, corruption, fraud, substitution of tenders, interpolations, etc;
- 6.4 If the Agency continuously refuses to return / refund the dues of SAIL without showing adequate reason and this is not due to any reasonable dispute which would attract proceedings in arbitration or Court of Law;
- 6.5 If the Agency employs a public servant dismissed / removed or employs a person convicted for an offence involving corruption or abetment of such offence;
- 6.6 If business dealings with the Agency have been banned by the Govt. or any other public sector enterprise;
- 6.7 If the Agency has resorted to Corrupt, fraudulent practices including misrepresentation of facts and / or fudging /forging /tampering of documents;
- 6.8 If the Agency uses intimidation / threatening or brings undue outside pressure on the Company (SAIL) or its official in acceptance / performances of the job under the contract;

- 6.9 If the Agency indulges in repeated and / or deliberate use of delay tactics in complying with contractual stipulations;
- 6.10 Willful indulgence by the Agency in supplying sub-standard material irrespective of whether pre-despatch inspection was carried out by Company (SAIL) or not;
- 6.11 Based on the findings of the investigation report of CBI / Police against the Agency for malafide / unlawful acts or improper conduct on his part in matters relating to the Company (SAIL) or even otherwise;
- 6.12 Established litigant nature of the Agency to derive undue benefit;
- 6.13 Continued poor performance of the Agency in several contracts;
- 6.14 If the Agency misuses the premises or facilities of the Company (SAIL), forcefully occupies, tampers or damages the Company's properties including land, water resources, forests / trees, etc.

(Note: The examples given above are only illustrative and not exhaustive. The Competent Authority may decide to ban business dealing for any good and sufficient reason).

## **7 Banning of Business Dealings**

- 7.1 Normally, a decision to ban business dealings with any Agency should apply throughout the Company including Subsidiaries. However, the Competent Authority of the Plant / Unit except Corporate Office can impose such ban unit-wise only if in the particular case banning of business dealings by respective Plant / Unit will serve the purpose and achieve its objective and banning throughout the Company is not required in view of the local conditions and impact of the misconduct / default to beyond the Plant / Unit. Any ban imposed by Corporate Office shall be applicable across all Plants / Units of the Company including Subsidiaries.
- 7.2 There will be a Standing Committee in each Plant / Unit to be appointed by Chief Executive for processing the cases of "Banning of Business Dealings" except for banning of business dealings with foreign suppliers of coal/coke. However, for procurement of items / award of contracts, to meet the requirement of Corporate Office only, the committee shall be consisting of General Manager / Dy. General Manager each from Operations, Finance, Law & CMMG. Member from CMMG shall be the convener of the committee. The functions of the committee shall, inter-alia include:
  - i) To study the report of the Investigating Agency and decide if a prima-facie case for Company-wide / Local unit wise banning exists, if not, send back the case to the Competent Authority.
  - ii) To recommend for issue of show-cause notice to the Agency by the concerned department.
  - iii) To examine the reply to show-cause notice and call the Agency for personal hearing, if required.
  - iv) To submit final recommendation to the Competent Authority for banning or otherwise.

7.3 If companywide banning is contemplated by the banning Committee of any plant/ unit, the proposal should be sent by the committee to ED (CMMG) through the Chief Executive of the Plant/ Unit setting out the facts of the case and the justification of the action proposed along with all the relevant papers and documents. CMMG shall get feedback about that agency from all other Plants / Units and based on this feedback, a prima-facie decision for banning / or otherwise shall be taken by the Competent Authority. At this stage if it is felt by the Competent Authority that there is no sufficient ground for companywide banning, then the case shall be sent back to the Chief Executive of the Plant/ Unit for further action at the Plant/ Unit level.

If the prima-facie decision for Company-wide banning has been taken, ED (CMMG) shall issue a show-cause notice to the agency conveying why it should not be banned throughout SAIL.

After considering the reply of the Agency and other circumstances and facts of the case, ED (CMMG) will submit the case to the Competent Authority to take a final decision for Company-wide banning or otherwise.

7.4 If the Competent Authority is prima-facie of view that action for banning business dealings with the Agency is called for, a show-cause notice may be issued to the Agency as per paragraph 9.1 and an enquiry held accordingly.

7.5 Procedure for Banning of Business Dealings with Foreign Suppliers of imported coal/coke.

i) Banning of the agencies shall apply through out the Company including Subsidiaries.

ii) Based on the complaint forwarded by ED (CIG) or received directly by Corporate Vigilance, an investigation shall be carried out by Corporate Vigilance. After investigation depending upon the gravity of the misconduct, Corporate Vigilance may send their report to Executive Director, Coal Import Group to be placed before a Committee consisting of the following:-

1. ED (F&A)/Head of Corporate Finance,
2. ED, CIG/Head of CIG –Convenor of the Committee
3. ED, CMMG/Head of CMMG, Corporate Office
4. ED (Law)/Head of Corporate Law

The Committee shall examine the report and give its comments / recommendations within 21 days of receipt of the reference by ED, CIG.

iii) The comments / recommendations of the Committee shall be placed by ED, CIG before SAIL Directors' Committee (SDC) constituted for import of Coal. If SDC opines that it is a fit case for initiating banning action, it will direct ED (CIG) to issue show-cause notice to the agency for replying within a reasonable period.

iv) On receipt of the reply or on expiry of the stipulated period, the case shall be submitted by ED (CIG) to SDC for consideration & decision.

v) The decision of the SDC shall be communicated to the agency by ED (CIG).

## **8 Removal from List of Approved Agencies - Suppliers / Contractors, etc.**

- 8.1 If the Competent Authority decides that the charge against the Agency is of a minor nature, it may issue a show-cause notice as to why the name of the Agency should not be removed from the list of approved Agencies - Suppliers / Contractors, etc.
- 8.2 The effect of such an order would be that the Agency would not be disqualified from competing in Open Tender Enquiries but LTE may not be given to the Agency concerned.
- 8.3 Past performance of the Agency may be taken into account while processing for approval of the Competent Authority for awarding the contract.

## **9 Show-cause Notice**

- 9.1 In case where the Competent Authority decides that action against an Agency is called for, a show-cause notice has to be issued to the Agency. Statement containing the imputation of misconduct or mis-behaviour may be appended to the show-cause notice and the Agency should be asked to submit within 15 days a written statement in its defence.
- 9.2 If the Agency requests for inspection of any relevant document in possession of SAIL, necessary facility for inspection of documents may be provided.
- 9.3 The Competent Authority may consider and pass an appropriate speaking order:
- For exonerating the Agency if the charges are not established;
  - For removing the Agency from the list of approved Suppliers / Contractors, etc.
  - For banning the business dealing with the Agency.
- 9.4 If it decides to ban business dealings, the period for which the ban would be operative may be mentioned. The order may also mention that the ban would extend to the interconnected Agencies of the Agency.

## **10 Appeal against the Decision of the Competent Authority**

- 10.1 The Agency may file an appeal against the order of the Competent Authority banning business dealing, etc. The appeal shall lie to Appellate Authority. Such an appeal shall be preferred within one month from the date of receipt of the order banning business dealing, etc.
- 10.2 Appellate Authority would consider the appeal and pass appropriate order which shall be communicated to the Agency as well as the Competent Authority.

## **11 Review of the Decision by the Competent Authority**

Any petition / application filed by the Agency concerning the review of the banning order passed originally by Chief Executive / Competent Authority under the existing guidelines either before or after filing of appeal before the Appellate Authority or after disposal of appeal by the Appellate Authority, the review petition can be decided by the Chief Executive / Competent Authority upon disclosure of new facts / circumstances or subsequent development necessitating such review. The Competent Authority may refer the same petition to the Standing Committee for examination and recommendation.

---

**12 Circulation of the names of Agencies with whom Business Dealings have been banned**

- 12.1 Depending upon the gravity of misconduct established, the Competent Authority of the Corporate Office may circulate the names of Agency with whom business dealings have been banned, to the Government Departments, other Public Sector Enterprises, etc. for such action as they deem appropriate.
- 12.2 If Government Departments or a Public Sector Enterprise request for more information about the Agency with whom business dealings have been banned, a copy of the report of Inquiring Authority together with a copy of the order of the Competent Authority / Appellate Authority may be supplied.
- 12.3 If business dealings with any Agency has been banned by the Central or State Government or any other Public Sector Enterprise, SAIL may, without any further enquiry or investigation, issue an order banning business dealing with the Agency and its inter-connected Agencies.
- 12.4 Based on the above, Plants / Units may formulate their own procedure for implementation of the Guidelines and same be made a part of the tender documents.

\*\*\*\*\*

## **Section - II**

- **Instructions to Bidders (ITB)**
- **Form of Contract Agreement with Appendices**
- **General Conditions of Contract (GCC) with Annexures**
- **Safety Code for Contractors**



**STEEL AUTHORITY OF INDIA LIMITED**

# INSTRUCTIONS TO BIDDERS



## INSTRUCTIONS TO BIDDERS

### INDEX

<b>A.</b>	<b>Introduction</b>	
1.	Eligible Bidders	5
2.	Facilities - Plant, Equipment, & Services	5
3.	Cost of Bidding	5
<b>B.</b>	<b>The Bidding Document</b>	
4.	Content of Bidding Documents	5-7
5.	Clarification of Bidding Documents	7
6.	Amendment of Bidding Documents	7-8
<b>C.</b>	<b>Preparation of Bid</b>	
7.	Language of Bid	8
8.	Documents Comprising the Bid	8-13
9.	Bid Form and Price Schedules	13
10.	Bid Prices	13-14
11.	Bid Security	14-15
12.	Period of Validity of Bid	16
13.	Format and Signing of Bid	16
<b>D.</b>	<b>Submission of Bids</b>	
14.	Sealing and Marking of Bids	16-17
15.	Deadline for Submission of Bids	17
16.	Late Bids	17
17.	Modification and Withdrawal of Bids	17
<b>E.</b>	<b>Opening and Evaluation of Bids</b>	
18.	Opening of Bids by Employer	17-18
19.	Clarification of Bids	18
20.	Techno-Commercial Evaluation of Bid	18-19
21.	Techno-Commercial Evaluation of Bid - Review of Alternative Bids	19

---

22.	Qualification	19-20
<b>F. Clarification Meeting</b>		
23.	Clarification of Bids and Review of Bidders' Proposed Deviations & Alternative Solutions	21-22
24.	Updated Technical, Commercial and Price Bid	22
25.	Price Bid Evaluation	22-23
26.	Conversion to Single Currency	23-24
27.	Contacting the Employer	24
<b>G. Award of Contract</b>		
28.	Changes in Qualification Status	24
29.	Award Criteria	24
30.	Employer's Right to accept Any Bid and to reject Any or All Bids	24
31.	Notification of Award	24
32.	Signing of Contract Agreement	24-25
33.	Performance Security (Performance Bank Guarantee)	25
34.	Risk Purchase Action	25
35.	Transfer of Bid Document	25
36.	Funding by Bidder	25
37.	General	25-26
38.	Compliance with Company Law	26
<b>Annexure</b>		
(1)	Bid Form	27
(2)	Bid Security Bank Guarantee Form	28-29
(3)	Guidelines for Indian Agents of Foreign Suppliers	30-33
(4)	Consortium Agreement	34-36
(5)	Undertaking by Licensor	37
(6)	Check list for submission of Bid	38
(7)	Self Certification and Undertaking by Bidder regarding NCLT	39

---

(8)	Non-Collusive Tendering Certificate	40-41
(9)	Bid-Securing Declaration	42
(10)	Compliance from bidder on 'Country sharing land border with India'	43-45

## **INSTRUCTIONS TO BIDDERS**

### **A. INTRODUCTION**

#### **1. Eligible Bidders**

- 1.1 This Invitation for Bids, issued by the Employer, is open to all the Bidders (Domestic, International or a consortium thereof) meeting the eligibility criteria stipulated in the Bid data Sheet.

The Bidders shall also comply with 'Restriction under Rule 144 (xi) in the General Finance Rules (GFRs) 2017' issued on 23rd July 2020 and subsequent amendments thereto.

Accordingly, all the Bidders shall also submit compliance of clauses regarding Country of Bidder sharing a land border with India as per Appendix-1 of Annexure-10. In cases of Consortium bidding, the above certificate/undertaking shall be submitted individually by each member of the Consortium.

- 1.2 Bidders (including all the members of their consortium) who are associated for this Tender with Consultant or any of its associates that have been engaged by the Employer to provide Consultancy Services for the preparation of design Specifications & other documents to be used for procurement of the Facilities to be purchased and installed under this Invitation are ineligible to bid for this tender.

Bidder (including all the members of their consortium) shall not directly or indirectly, take any service or assistance from the above referred Consultant for the above work, if he becomes successful Bidder.

- 1.3 The Employer's Consultant(s) for the Facilities shall not be eligible to submit their bid.

#### **2. Facilities - Plant, Equipment & Services**

- 2.1 For the purposes of these Bidding Documents, the word "Facilities" means the plant and equipment to be designed, manufactured, supplied and installed as per scope of Bidding Document, under the Contract. The words "plant & equipment," etc., shall be construed in accordance with the respective definitions given to them in the General Conditions of Contract.

#### **3. Cost of Bidding**

- 3.1 The Bidder shall bear all costs associated with the preparation and submission of its bid, and the Employer will in no case be responsible or liable for these costs, regardless of the conduct or outcome of the bidding process.

### **B. THE BIDDING DOCUMENTS**

#### **4. Content of Bidding Documents**

- 4.1 The Facilities required, bidding procedures, Contract terms and technical requirements are prescribed in the Bidding Documents. The Bidding Documents include the following sections:

- 1) Invitation for Bids (IFB)
- 2) Bid Data Sheet (BDS)
- 3) Instructions to Bidders (ITB) and Annexure 1-10

- Annexure-1: Bid Form
  - Annexure-2: Bid Security Bank Guarantee Form
  - Annexure-3: Guidelines for Indian Agents of Foreign Suppliers
  - Annexure-4: Consortium Agreement
  - Annexure-5: Undertaking by Licensor
  - Annexure-6: Check list for submission of Bid
  - Annexure-7: Self Certification and Undertaking by Bidder (by each member if bid is by a Consortium) regarding Insolvency/Liquidation Process under NCLT
  - Annexure-8: Non-Collusive Tendering Certificate
  - Annexure-9: Bid-Securing Declaration
  - Annexure-10: Compliance from bidder on 'Country sharing land border with India'
- 4) Form of Contract Agreement and Appendices 1-6
- Appendix-1: Price Schedules
  - Appendix-2: Time Schedule
  - Appendix-3: Terms of Payment
    - Att.1 to Appendix 3: LC Format
  - Appendix-4: Price Adjustment due to Variation in Price Indices
  - Appendix-5: Performance Guarantees
  - Appendix-6: List of Approved Vendors
- 5) Special Conditions of Contract (SCC)
- 6) General Conditions of Contract (GCC) & Annexure I-XIII
- Annexure I – Performance Bank Guarantee
  - Annexure II – Bank Guarantee for release of payment against Commissioning Certificate; Performance Guarantee Certificate; Final Acceptance Certificate
  - Annexure III - Performa for Custody cum Indemnity Bond
  - Annexure IV - Form of Preliminary Acceptance Certificate
  - Annexure V - Form of Commissioning Certificate
  - Annexure VI - Form of Performance Guarantee Certificate
  - Annexure VII - Form of Final Acceptance Certificate
  - Annexure VIII - Form of Change Order
  - Annexure IX - Bank Guarantee for Interim Advance
  - Annexure X - Joint Deed of Undertaking (Licensor & Licensee)
  - Annexure-XI – Bank Guarantee for taking out material from Plant/Unit
  - Annexure-XII - Form of Deferred supply of Goods
  - Annexure-XIII- Format for Hindrance Register
- 7) Safety in Contract Works (as per IPSS: 1-11-011-14)
- 8) Safety in Contract Works in Mines (as per IPSS: 1-11-011-14)
- 9) Guideline for settlement of claim for compensation in respect of accident at Plants/ Units due to Employer's negligence
- 10) Technical Specifications (TS)

11) General Technical Specifications (GTS), if any

- 4.2 The Bidder is expected to examine all instructions, forms, terms, specifications and other information in the Bidding Documents. Failure to furnish all information required by the Bidding Documents or submission of a bid not substantially responsive to the Bidding Documents in every respect will be at the Bidder's risk and may result in rejection of its bid.

**5. Clarification of Bidding Documents**

- 5.1 The Bidder is required to carefully examine the Bidding Documents, terms & conditions of Form of Agreement, drawings and other details relating to work given in the Bidding Documents and fully acquaint himself as to all conditions and matters which may in any way affect the work or the cost thereof. Bidder is deemed to have known the scope, nature and magnitude of the work and the requirements of materials, labour involved, site conditions etc.

- 5.2 A prospective Bidder requiring any clarification of the Bidding Documents may notify the Employer in writing or by telefax or e-mail at the Employer's mailing address indicated in the **Bid Data Sheet**. In particular, if a Bidder desires to seek any clarification on the documents including those listed in **ITB Sub-Clause 20.2**, such a clarification should be raised at this stage. The Employer will respond in writing to any request for clarification or modification of the Bidding Documents that it receives no later than 7 (seven) days prior to the deadline for submission of bids prescribed by the Employer.

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

- 5.3 The prospective Bidder and any of its authorized personnel or representative will be granted permission by the Employer to enter upon its premises and lands for the purpose of inspection, but only upon the condition that the prospective Bidder, its personnel and representative will release and indemnify the Employer and its representatives from and against all liability in respect thereof and will be responsible for death or personal injury, loss of or damage to property and any other loss, damage, costs and expenses incurred as a result of the inspection.
- 5.4 The Bidder shall be deemed to have acquainted itself of local/ Government taxes, duties, laws, statute, regulations, levies and other charges relating to supplies to be made, services to be rendered and works to be done at site as applicable at the work site.
- 5.5 Any neglect or omission or failure on the part of the Bidder in obtaining necessary and reliable information or on any other matter affecting the Bidder, shall not relieve the Bidder from any risk or liability or the entire responsibility for completion of the work in accordance with the Bidding Documents.

**6. Amendment of Bidding Documents**

- 6.1 At any time, but latest 10 (ten) days prior to the deadline for submission of bids, the Employer may, for any reason, whether at its own initiative, or in response to a clarification requested by a prospective Bidder, amend the Bidding Documents.
- 6.2 The amendment will be notified in writing or by telefax or e-mail, to all prospective Bidders that have purchased the Bidding Documents and will be

binding on them. It will be assumed that the information contained therein will have been taken into account by the Bidder in its bid.

Any amendment issued prior to submission of Bids would be put on the Employer's web site. All prospective Bidders would be presumed to have examined all amendments on the website & have submitted their bids accordingly.

- 6.3 In order to afford prospective Bidders reasonable time to take the amendment into account in preparing their bid, the Employer may, at its discretion, extend the deadline for the submission of bids in which case the Employer will notify all the Bidders that have purchased the Bidding Documents in writing or telefax or e-mail, of the extended deadline. Notification of extension, if any, of the deadline for submission of bids, shall be put on the Employer's web-site also.

## C. PREPARATION OF BID

### 7. Language of Bid

- 7.1 The bid prepared by the Bidder and all correspondence & documents related to the bid exchanged by the Bidder and the Employer, shall be written in the English language. Bid submitted in any other language is liable to be rejected. In case any printed literature furnished by the Bidder, is written in another language, it must be accompanied by a translation of its pertinent passages in the English language (translated / validated by concerned embassy in India or authorised translator of Supreme Court / High Courts of India/ respective Government authorized Organisation of their Country) and for the purposes of interpretation of the bid, such translation shall govern.

### 8. Documents Comprising the Bid

- 8.1 The bid duly completed and signed by the Bidder together with Attachments identified in **ITB Sub-Clause 8.3** hereof, should be submitted and shall comprise the following documents in separate sealed covers:

Part-I: This part shall be marked as Part-I "Cost of Bidding Documents & Bid Security" and shall not contain any technical, commercial component or price at all. The cost of bidding documents should be attached only in case the document is downloaded from the website.

Part-II: This part shall be marked as "Part-II: Technical Part & Commercial Part" containing documents for Eligibility Criteria Fulfillment & Techno-Commercial Bid and shall not contain any price at all.

However, an un-priced copy of the Price Bid shall be attached with Commercial Part with the word "QUOTED" in place of price data furnished in the Price Bid. Integrity Pact (if applicable) duly signed shall also be enclosed.

Further, the Bidder must declare the Mandatory % quoted for erection activities in the Un-priced copy of Price bid (i.e serial numbers 7 & 8 of Summary Price Schedule).

Part-III: This part shall be marked as "Part-III Price Bid" and shall contain prices only without any terms and conditions.

Note: Any footnotes, remarks etc. made in the Price Bid must also appear in the Un-priced copy thereof to be submitted with Part-II



of the Bid. In case of any discrepancy between the footnotes, remarks etc. made in the Un-priced copy of Price Bid and those in the Priced Price Bid, the stipulations made in the Un-priced copy of Price Bid shall prevail for the purpose of price bid evaluation. Footnotes, remarks etc. made only in the Price Bid and not featuring in the Un-priced copy shall not be taken into cognizance and shall be ignored.

- 8.2 Bidders shall note that they are permitted to propose technical alternatives or other alternative bids with their bids in addition to or in lieu of the Scope of Facilities and requirements specified in the Bidding Documents, provided they can substantiate through document that the proposed alternative bids are to the benefit of the Employer, that they fulfill the principal objectives of the Tender, and that they meet the basic performance and technical criteria specified in the Bidding Documents.

Any alternative bid proposed by Bidder will be subject of discussions during the clarification meeting with the Bidder.

### 8.3 **Attachments to the Bid**

Each Bidder shall submit with its bid the following attachments:

- (a) Attachment 1: Power of Attorney

***\* to be attached with Part II (Commercial Part)***

The Bid shall be signed by the Bidder or a person or persons duly authorised to sign on behalf of bidder. Such authorisation shall be indicated by written power of attorney accompanying the bid and thus that the bid is binding upon the Bidder during the full period of its validity, in accordance with **ITB Clause 12**.

The complete trail of power of attorney should be mentioned by the bidder and supported with necessary documents.

In case the bidder is a limited company, a copy of resolution passed by the Board of Directors of that company authorizing that person to file the bid on behalf of the company. The copy of the said resolution should have the common seal of the company and be attested either by the company secretary or its Director.

- (b) Attachment 2: Bidder's Eligibility & Qualifications

***\* to be attached with Part II in separate envelope***

Where pre-qualification is not done, documentary evidence established in accordance with **Bid Data Sheet** that the Bidder is eligible to bid and is qualified to perform the Contract if its bid is accepted.

**Bids submitted by a consortium** (not more than three parties) shall comply with the following requirements:

- (i) The bid shall include all the information on eligibility/qualification and experience required for a Bidder as described in Bidding Documents including Attachment 2 as described above.
- (ii) The bid shall be signed so as to be legally binding on all members.

- (iii) The members of the Consortium shall authorise the Leader to be responsible for overall performance of the Contract and this authorisation shall be covered in the Power of Attorney signed by the legally authorised signatories of all members of consortium.

The authorization shall also be supported by a Memorandum of Agreement (MOA) and should be signed by all the legally authorized signatories of all members.

The leader shall be the Member having maximum job or share of work in value terms. However, in specific cases, (if mentioned in Bid data sheet) the leader shall be the technology supplier and should be having a certain minimum percentage (as stipulated in Bid Data Sheet) of job or share of work in value terms. The consortium shall indicate the percentage (%) of scope of work to be carried out by each member in value terms of total contract value in MoA.

- (iv) The leader shall be authorised to incur liabilities and receive instructions and payment for and on behalf of any & all members of the consortium.

However, payments shall be released directly to consortium members provided the Leader of the consortium submits a general authorisation document, authorising the Employer to release payment to its consortium members directly.

- (v) Leader of the consortium shall be overall responsible for the execution of the Contract. The Leader and other Members of the Consortium shall be jointly and severally liable for the execution of the Contract, but will be liable for damages in proportion of the respective Contract Price. Each Member shall have a price for his scope of work.

Notwithstanding the provisions of being jointly and severally liable to Employer by all members of consortium, the leader of consortium shall be primarily responsible for full execution of the entire "Scope of work" of this tender/Contract, so that the Employer gets the facilities completed in time in all respect.

Further, the leader of the consortium should confirm unconditional acceptance of primary responsibility of executing the "Scope of work" of this tender. **This confirmation should be submitted along with the techno-commercial bid.**

- (vi) A copy of the Memorandum of Agreement (MoA) entered into by the consortium members prior to stipulated due date of submission of bids and valid till Time for Completion plus Defect Liability Period for the Facilities shall be submitted.

The MoA (as per Annexure-4) shall clearly outline the proposed roles & responsibilities of each member. Each member of consortium must have the experience for the component of the contract that they are designated to perform. Failure to comply with this requirement may result in rejection of the Consortium's bid.

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

A party can be a member in only one consortium; bids submitted by such consortia which include the same party as member and/or leader will be rejected.

Bidders are not allowed to form new consortium (consortia) with other Bidders participating in the tender.

The composition or the constitution of the consortium, who have become eligible, may be permitted to alter only with the prior consent of the Employer in writing.

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

- (ix) If a bid is acceptable from Bidders having in possession of Process Technology License from a Licensor and the same has been mentioned in **Bid Data Sheet**, in such an event, Bidder offers to supply and / or install the Facility on the basis of possession of License of Process Technology from the Licensor, then the Bidder shall also be required to submit along with the Bid **An Undertaking** from Licensor in regard to performance of Contract as per **Annexure-5**. In this case, the Bidder becoming successful shall also submit a **Deed of Joint Undertaking from the Licensor and Bidder** in regard to performance of the Contract as per Annexure-X of GCC.

- (c) Attachment 3 : Eligibility and Conformity of the Facilities

**\* to be attached with part II Technical Part**

Documentary evidence established in accordance with ITB **Clause 1** that the Facilities offered by the Bidder in its bid or in any alternative bid (if permitted) are eligible & conform to Bidding Documents.

The documentary evidence of the conformity of the Facilities to the Bidding Documents may be in the form of literature, drawings and data, and the Bidder shall furnish :

- (i) a detailed description of the essential technical and performance characteristics of the Facilities,
- (ii) For cases where 2 years O&M Spares are not part of the Contract price; a list giving full particulars, including available sources, of all spare parts, special tools, etc., necessary for the proper and continuing functioning of the Facilities for the period of two (2) years (or as specified in the Bid Data Sheet), following Completion of Facilities in accordance with the provisions of the Contract,
- (iii) commentary on the Employer's Technical Specifications and adequate evidence demonstrating the substantial responsiveness of the Facilities to those specifications. Bidders shall note that the standards for workmanship, materials and equipment designated by the Employer in the Bidding Documents are intended to be descriptive

(establishing standards of quality and performance) only and not restrictive.

The Bidder may substitute alternative standards, brand names and / or catalogue numbers in its bid, provided that it demonstrates to the Employer's satisfaction that the substitutions are substantially equivalent or superior to the standards designated in the Technical Specifications.

(d) Attachment 4 : Vendors Proposed by the Bidder for Indian component

**\* to be attached with part II Commercial Part**

The Bidder shall choose its Vendors from the approved list of Vendors as provided in **Appendix 6** to the Form of Contract Agreement, Bidding Documents, for all major items of supply or services. However, the Bidder shall indicate details of all such major items of supply or services that it proposes to purchase or sublet, and shall give details of the name and nationality of the Vendors for each of these items. Bidders are free to list more than one Vendor against each item of the Facilities.

The Bidder may propose names of additional Vendors for any items of supply or services.

The Employer reserves the right to reject or accept any or all the Vendors proposed by the Bidder, prior to award of Contract and after discussions with the Bidder during the clarification meeting between the Employer & the Bidder pursuant to ITB **Clause 23**. Accordingly **Appendix 6** to the Form of Contract Agreement shall be amended to include additional Vendors for any item, if accepted by the Employer.

(e) Attachment 5 : Deviations

**\* to be attached with part II Technical Part & Commercial Part**

Bidders are required to quote strictly as per Bidding Documents. However, if they strongly feel that some minor deviation will improve their bids, such deviations, if any, from the terms & conditions or Technical Specifications shall be listed in Attachment 5 (Technical & Commercial Deviation to be given separately) to the Bid only and no where else. The Bidder shall also provide the additional price, if any, for withdrawal of the deviations pursuant to ITB **Sub-Clause 10.2**.

Bidders shall give details of deviations, objections or reservations, other than alternative bids, from the requirements of the Bidding Documents, that they would like the Employer to consider during the clarification meeting with the Bidder, pursuant to ITB **Clause 23**.

However, the attention of the Bidders is drawn to the provisions of ITB **Sub-Clause 20.1** regarding the rejection of bids that are not substantially responsive to the requirements of the Bidding Documents.

(f) Attachment 6 : Alternative Bid

**\* to be attached with part II Technical Part**

If alternative bid is permitted (specified in the **Bid Data Sheet**), Bidders wishing to offer technical alternatives to the requirement

of the Bidding Documents must provide all information necessary for a complete evaluation of the alternatives by the Employer, including drawings, design calculations, technical specifications, proposed installation methodology and other relevant details. The Employer reserves the right to accept or reject alternative bids.

(g) Attachment 7 : Integrity Pact (if applicable)

**\* to be attached with part-II**

- i) If required for the Contract and provided in Bid Data Sheet, Bidders are required to unconditionally accept the Integrity Pact executed on Plain paper which has been pre-signed by the Employer (enclosed) and submit the same duly signed on all pages by the Bidder's authorized signatory along with Part-II of the Bid as per ITB Sub-clause 8.1. In case Bidder is a consortium, the signing of Integrity Pact by all the consortium members is mandatory. Bidder's failure to comply with aforesaid requirement regarding submission of Integrity Pact may lead to rejection of their Bid.
- ii) The Bidder(s)/ Contractor (s), if feel aggrieved, may raise complaint/pass on, information, if any, to "The Competent Authority/ Operating Authority of the Tender/ Contract" or to "The Chief Vigilance Officer (CVO), SAIL, Ispat Bhavan, Lodi Road, New Delhi-110003" or to "The Independent External Monitors (IEMs) of Integrity Pact, through Integrity Pact Secretariat, 16th floor, Scope Minar, Laxmi Nagar, Delhi-110092".
- iii) The Independent External Monitors of Integrity Pact in SAIL have been mentioned in Bid Data Sheet.

## 9. Bid Form and Price Schedules

- 9.1 The Bidder shall complete the Bid Forms (**Annexure-1**) and appropriate Price Schedules furnished in the Bidding Documents in the manner and detail indicated therein and submit the same with its bid.

## 10. Bid Prices

- 10.1 Bidders shall quote for the entire facilities on a "single responsibility" basis such that the total bid price covers all the Contractor's obligations mentioned in or to be reasonably inferred from the bidding documents in respect of the design, manufacture, including procurement and sub-contracting (if any), delivery, construction, installation and completion of the facilities. This includes all requirements under the Contractor's responsibilities for testing, pre-commissioning and commissioning of the facilities and, where so required by the bidding documents, the acquisition of all permits, approvals and licenses, etc.; the operation, maintenance and training services and such other items and services as may be specified in the bidding documents. Items against which no price is entered by the Bidder will not be paid for by the Employer when executed and shall be deemed to be covered by the prices for other items.
- 10.2 Bidders are required to quote the price for the commercial and technical obligations outlined in the bidding documents. If a Bidder wishes to make a deviation, such deviation shall be listed in Attachment 5 of its bid. The Bidder shall also provide in the Price Bid the additional price, if any, for withdrawal of the deviations pursuant to ITB **Sub-Clause 8.3 (e)**.

- 10.3 Bidders shall give a break-up of the prices, as may be applicable to their bids, in the manner and detail called for in the Summary Price Schedule and Tables furnished in **Appendix-1** to the Form of Contract Agreement. In case of consortium, the Bidder shall give breakup of prices for each consortium member corresponding to work division to be undertaken by each member. For taxes and duties reference may be made to **Clause 14 of GCC**.

Bidder must clearly mention their Income Tax Permanent Account Number (PAN) and Bank Account Number in the offer.

- 10.4 In the Schedules, Bidders shall give the required details and a breakup of their prices considering the following :
- (a) Plant & equipment, refractories and commissioning spares and Operation & Maintenance (O&M) Spares-if specified in the Bid Data Sheet to be supplied from abroad and quoted in Foreign Currency shall be on “CIF” basis. (Price basis shall be as per GCC **sub-clause 11.2.5**)
  - (b) Services to be provided from abroad and quoted in Foreign Currency shall be exclusive of all taxes & duties applicable in India except personal income tax of Foreign Experts (to be borne by the bidder). All taxes & duties payable outside India shall be included in the above price.
  - (c) Supplies (including O&M spares – if specified in the Bid Data Sheet) & Services quoted in Indian Rupee shall be quoted on “at-Employer’s site” basis and shall be inclusive of all costs as well as all taxes, duties, Levies & Charges paid or payable in India as on Base Date.
  - (d) For cases where 2 years O&M spares are not part of the Contract price, Recommended spare parts shall be quoted separately as per **Table No 3 of Appendix 1** to Contract Agreement by the successful bidder.
  - (e) The Bidder shall also provide the additional price, if any, for withdrawal of the deviations.
  - (f) Contract Price should not include any element of agency commission. However, if Overseas Bidder feels that the engagement of agent is necessary for attending to any work in India, the Overseas Bidder shall follow the “Guidelines for Indian Agents of Foreign Suppliers”, enclosed as **Annexure 3** and furnish required details.
- 10.5 The terms “FOB”, “CIF”, etc., shall be governed by the rules prescribed in the current edition of INCOTERMS, published by the International Chamber of Commerce, 38 Cours Albert 1er, 75008 Paris, France.

## 11. Bid Security

- 11.1 The Bidder shall furnish, as part of its bid, a bid security for the amount stipulated in the **Bid Data Sheet** in Indian Rupees, or in the equivalent amount in any freely convertible foreign currency.
- 11.2 The bid security shall, at the Bidder’s option, be in the form of a Demand Draft/Banker’s Cheque/Pay Order or Bank Guarantee from any Scheduled Commercial Bank (except Co-operative and Gramin Bank), located anywhere in India. The format of the Bank Guarantee shall be in accordance with the form of bid security included in the Bidding Documents; other formats may be permitted, subject to the prior approval of the Employer. Bid security shall remain valid for a period of sixty (60) days beyond the original bid validity period, and beyond any extension subsequently requested under ITB **Sub-Clause 12.2**.

The bid security can also be in the form of TT remittance/online transfer - NEFT, RTGS, SWIFT. The proof of such transfer/transaction needs to be submitted with the offer in the envelope titled “Cost of Bidding Documents & Bid Security”.



The Cost of Bidding Documents and bid security will not be accepted in cash. Electronic mode of payment is allowed.

Exemption from furnishing Bid Security shall be as per the extant Guidelines of the GoI existing on the date of Bid submission” The supporting documents as are required under the extant Guidelines of GoI are to be submitted by the bidder in **Part-I of the bid**.

The bid security at the Bidder's option, can also be in the form of 'Bid Securing Declaration' as per Annexure-9. In such case, Bidder may require to sign the 'Bid Securing Declaration' accepting that

- (a) if they withdraw or modify their Bids during the period of validity specified by the Bidder, or
- (b) if they were awarded the contract and fail to sign the contract, or to submit a Performance Bank Guarantee before the deadline as defined in the ITB at clause 33 hereof, or
- (c) If they commit any other breach of the Bid

they will be suspended for a period of one year (from the date of Letter of Acceptance issued to the successful Bidder or date of approval for tender cancellation by Competent Authority), from being eligible to submit Bids for Contracts at SAIL.

- 11.3 Any bid not accompanied by bid security of an amount stipulated in the **Bid Data Sheet**, shall be rejected by the Employer as being non-responsive. The Bid Security in the case of a consortium, can be submitted by any member of the consortium.

Consortium bidder will be exempted from submitting bid security only if each and every individual member is exempted (as per extant Government Guidelines existing on the date of BID submission). In case even one member is not exempted, the consortium as a whole shall be required to submit the stipulated Bid Security along with their Bid.

- 11.4 In the event the tender of any Bidder is rejected during the course of Techno-Commercial Scrutiny and Evaluation, the bid securities shall be returned to such Bidders within seven days from the date of rejection of its offer.

The bid securities of unsuccessful Bidders shall be returned within 15 (fifteen) days after determination of L-1 Bidder.

- 11.5 The bid security of the successful Bidder will be returned when the Bidder has signed the Contract Agreement, pursuant to ITB **Clause 32**, and has furnished the required performance security (Performance Bank Guarantee), pursuant to ITB **Clause 33**.

- 11.6 The bid security shall be “forfeited or relevant stipulation at ITB clause 11.2 invoked” if the Bidder withdraws/ modifies its bid during the period of bid validity specified by the Bidder or any other breach of the Bid.

- 11.7 If bid security (not in the form of bid securing declaration) has been taken, and the decision on the bid is delayed by more than 30 days from last date of receiving the bid, the bid security shall be returned and declaration for bid security may be obtained as per format at Annexure-9.



## 12. Period of Validity of Bid

- 12.1 Bids shall remain valid for the period indicated in the **Bid Data Sheet**. A bid valid for a shorter period shall be rejected by the Employer as being non-responsive unless extended.
- 12.2 The Employer may solicit the Bidders' consent to an extension of the bid validity period. The request and responses thereto shall be made in writing. If a Bidder accepts to extend the period of validity, the bid security shall also be extended by the Bidder accordingly. A Bidder may refuse the request without forfeiting its bid security. A Bidder accepting such request, shall not modify its bid on its own.

## 13. Format and Signing of Bid

- 13.1 The Bidder shall prepare an original and 10 (ten) copies / sets of Part-I and Part-II of bids clearly marking each one as: "ORIGINAL-BID", "COPY No. 1", "COPY No. 2", etc., as appropriate. In the event of any discrepancy between the original and any copy, the original shall govern.

Part-III (Price Bids) shall be submitted in One Original plus 3 (three) copies.

- 13.2 The original and all copies of the bid, each consisting of the documents listed in ITB **Clause 8**, shall be typed or written in indelible ink and shall be signed by the Bidder or a person or persons duly authorised to bind the Bidder to the Contract. The letter of authorisation shall be through power of attorney accompanying the Bid and submitted as Attachment 1 to the Bid under ITB **Sub-Clause 8.3 (a)**. All pages of the bid, shall be signed by the person or persons signing the bid.
- 13.3 Any alteration, omission, addition, interlineations, erasures or overwriting shall only be valid if they are initialed by the person or persons signing the bid.
- 13.4 For Technical & Commercial deviation included in Part-II- Commercial Part of Bid, if any, Bidders shall submit soft copy of the same in MS Word Format in CD in sealed envelope with Part-II Commercial Part of the bid. However "Technical & Commercial deviation included in Part-II Commercial Part indicated in the hard copy shall prevail"
- Bidders shall also submit soft copy (in MS EXCEL format) of the "Price" in CD along with Price Bid in the sealed envelope. However, price indicated in the Hard Copy (Original) shall prevail.

## D. SUBMISSION OF BIDS

### 14. Sealing and Marking of Bids

- 14.1 The Bidders shall seal the original Part-I (Cost of Bidding Document, Bid Security), Part-II (Technical Part & Commercial Part, & Integrity Pact (if applicable); in separate envelopes) and Part-III (Price Bid) and copy of the bids in separate envelopes, each containing the documents specified in ITB **Clause 8**, and shall mark the envelopes as "Original" and "Copies," all duly marked as required in ITB **Sub-Clause 13.1**.
- 14.2 The envelopes shall
- be addressed to the Employer at the address given in the **Bid Data Sheet**, and
  - bear the Contract name indicated in the **Bid Data Sheet**, the Invitation for Bids title and number indicated in the **Bid Data Sheet**, and the statement "DO NOT OPEN BEFORE \_\_\_\_\_ (date)," to be completed with the time and date specified.

14.3 The envelopes shall each indicate the name and address of the Bidder so that the bid can be returned unopened in case it is declared “late or otherwise found not fit to be opened.”

14.4 If the outer envelope is not sealed and marked as required by ITB **Sub-Clauses 14.1 & 14.2**, the Employer will assume no responsibility for the bid’s misplacement or premature opening.

## 15. Deadline for Submission of Bids

15.1 Bids must be received by the Employer at the address specified in **Bid Data Sheet** and not later than the time and date (deadline) stated in the tender.

15.2 The Employer may, at its discretion, extend this deadline for submission of bids by amending the bidding documents in accordance with ITB **Sub-Clause 6.3**, in which case all rights and obligations of Employer and Bidders will thereafter be subject to such extended deadline.

## 16. Late Bids

16.1 Any bid received by the Employer after the bid submission deadline prescribed by the Employer, pursuant to ITB **Clause 15**, will be rejected and returned.

## 17. Modification and Withdrawal of Bids

17.1 The Bidder may modify or withdraw its bid after submission, provided that written notice of the modification or withdrawal is received by the Employer prior to the deadline prescribed for bid submission.

17.2 The Bidder’s modifications specified in ITB **Sub-Clause 17.1**, shall be prepared, sealed, marked and dispatched as follows:

(a) The Bidders shall provide one original plus 10 (ten) copies of any modifications to its bid, clearly identified as such, in two inner envelopes duly marked “Bid Modifications—Original” and “Bid Modifications—Copies.” The inner envelopes shall be sealed in an outer envelope, which shall be duly marked “Bid Modifications.”

(b) Other provisions concerning the marking and dispatch of bid modifications shall be in accordance with ITB **Sub-Clauses 14.2, 14.3 & 14.4**.

17.3 A Bidder wishing to withdraw its bid shall notify the Employer in writing prior to the deadline prescribed for bid submission.

17.4 No bid shall be withdrawn in the interval between the bid submission deadline and the expiration of the bid validity period specified in ITB **Clause 12**. Withdrawal of a bid during this interval may result in the Bidder’s forfeiture of its bid security, pursuant to ITB **Sub-Clause 11.6**.

17.5 Bids together with any modification specified under the clause shall be considered as 'final' bid at the time of opening of the bid.

## E. OPENING AND EVALUATION OF BIDS

### 18. Opening of Bids by Employer

18.1 The Employer may open both Part I and Part II, in the presence of Bidder’s designated representatives who choose to attend on the date and the time and at the venue as stipulated in the Bidding Documents. However, Part II will be opened only for those Bidders who would have furnished Cost of bidding

document, Bid Security as per stipulations of the IFB. Bidder's authorized representatives may attend the opening and shall sign a register / document prepared by the Employer, as proof of their attendance.

At the time of opening of Part-I and Part-II of the bids, Part III - "Price Bid" shall not be opened by the Employer and same shall be kept by the Employer unopened.

- 18.2 Bidders' names, bids received, the presence of any alternative bids, the presence or absence of requisite bid security and other such details as the Employer, at its discretion, may consider appropriate, will be announced at the opening. No bid will be rejected at bid opening except for bids not accompanied with cost of bidding document, bid security and late bids, which will not be opened.
- 18.3 Bids that are not opened and read out at bid opening will not be considered for further evaluation, regardless of the circumstances.

## 19. Clarification of Bids

- 19.1 During bid evaluation, the Employer may, at its discretion, ask the Bidder for a clarification of its bid. The request for clarification and the response shall be in writing. While responding no change in the price or substance of the bid shall be sought, offered or permitted unless asked by Employer after completion of evaluation of bids.

Correspondences made through E-mail by the Bidder with the Employer shall be followed preferably by Fax/ Post Copy.

## 20. Techno-Commercial Evaluation of Bid

- 20.1 The Employer will examine the bids to determine whether each bid is acceptable, documents have been signed, is complete and is substantially responsive to the bidding documents. For purposes of this determination, a substantially responsive bid is one that conforms to all the terms, conditions and specifications of the bidding documents without material deviations, objections, conditionalities or reservations. A material deviation, objection, conditionality or reservation is one:

- (i) that affects in any substantial way the scope, quality or performance of the Contract;
- (ii) that limits in any substantial way, inconsistent with the bidding documents, the Employer's rights or the successful Bidder's obligations under the Contract; or
- (iii) whose rectification would unfairly affect the competitive position of other Bidders who are presenting substantially responsive bids.

- 20.2 In particular, bids with deviations from, objections to or reservations about critical provisions such as those concerning Bid Security (ITB **Clause 11**), Terms of Payment (**Appendix-3**), Governing Law (GCC **Clause 5**), Arbitration (GCC **Sub-Clause 6.3**) Taxes and Duties (GCC **Clause 14**), Performance Guarantees (GCC **Clause 27**), PBG Format (**Annexure-VI**), Liquidated Damage (GCC **Clause 29.2**), Defect Liability (GCC **Clause 30**), Patent Indemnity (GCC **Clause 31**), Limitation of Liability (GCC **Clause 32**), Force Majeure (GCC **Clause 39**), Suspension (GCC **Clause 43**), Termination (GCC **Clause 44**) and Time of Completion (**Article-5** of FCA) as well as provisions specified in the **Bid Data Sheet**, if any, that the Bidder is not prepared to withdraw aforesaid deviations, objections or reservations at a withdrawal price, will be treated as non-responsive.

- 20.3 In order to determine whether the technical & commercial aspects are in accordance with the requirements set forth in the Bidding Documents, the Employer will examine and compare the technical and commercial aspects of the bids on the basis of the information supplied by the Bidders, pursuant to **ITB Clause 8**, and other requirements in the Bidding Documents.

## 21. Techno-Commercial Evaluation of Bid - Review of Alternative Bids

- 21.1 The Employer will also review complete alternative bids, if any, offered by the Bidder, pursuant to **ITB Sub-Clause 8.2**, to determine whether such alternatives may constitute an acceptable basis for a further evaluation.

## 22. Qualification

- 22.1 The Employer will ascertain to its satisfaction whether Bidders determined as having submitted responsive bids are qualified to satisfactorily perform the Contract.

- 22.2 The determination will take into account the Bidder's financial, technical and production capabilities, in particular its Contract, work in hand, future commitments, current litigation, if any, and past performance. It will be based upon an examination of the documentary evidence of the Bidder's qualifications submitted by the Bidder, as well as such other information as the Employer deems necessary and appropriate.

In case any specific adverse report is received against a Bidder as an information or upon enquiry made by SAIL, in respect of capabilities and performance of the Bidder, after receipt of tender but before opening of the Price Bids, the bid submitted by such Bidder is liable to be rejected on the basis of recorded reasons. If such report is received after opening of price bids, then also the tender of that bidder is liable to be rejected after recording the reasons.

The specific adverse report shall be of a time period not exceeding preceding 7 years.

- 22.3 Determination of eligibility may be done simultaneously with techno-commercial discussions/ clarifications. However, affirmative determination of eligibility shall be pre-requisite for opening of price bid.
- 22.4 The capabilities of the Sub-Contractor or Vendors proposed in Attachment 4 (as per ITB sub-clause 8.3(d)) to the bid will also be evaluated for acceptability. Their participation should be confirmed with a letter of intent between the parties, as needed. Should a Sub-Contractor or Vendor be determined to be unacceptable, the bid will not be rejected, but the Bidder will be required to substitute an acceptable Sub-Contractor/Vendor without any change to bid price.
- 22.5 For determination of Financial eligibility, apart from Turnover criteria, net worth should be positive in the preceding Financial year, as per Audited annual accounts. For Consortium Bidding the same applies to all the parties. *Financial Year means, the accounting year accepted by the prevailing law of respective Country*

Further, no Corporate Insolvency Resolution/Liquidation Process should have commenced in respect of the Bidder under National Company Law Tribunal (NCLT). (A self declaration in the prescribed format (Annexure-7) by the Bidder to this effect shall be submitted)

Further, in cases of Consortium bidding, no Corporate Insolvency Resolution/Liquidation Process should have commenced in respect of the Bidder under National Company Law Tribunal (NCLT) for any of the member, at the

time of Bid submission and the self declaration in the prescribed format (Annexure-7) shall be submitted individually by each member of the Consortium.

In case of Consortium bidding, Minimum Turnover requirement for each Consortium member = Total Turnover Requirement set forth in Eligibility X % (percentage) of scope of work in value terms of total contract value declared in Consortium Agreement (MoA).

The percentage break-up of consortium members after Revised price bid/ RA/ Incremental-decremental price must be maintained as per MOA mentioned hereof at clause 8.3. In case there is change in percentage break-up, the consortium members must ensure that the financial eligibility criteria of each member is met as mentioned here of, failing which the bid shall be liable to be rejected.

In compliance to 'Restriction under Rule 144 (xi) in the General Finance Rules (GFRs) 2017' of Govt. of India (regarding Country of Bidder sharing a land border with India), the Bidders shall submit certificate/undertaking regarding guidelines given at Annexure-10. In cases of Consortium bidding, certificate/undertaking shall be submitted individually by each member of the Consortium.

**Date of exchange rate:** The SBITT Selling Card Rate of exchange on the respective Balance Sheet date to be taken.

Any subsidiary/ wholly owned subsidiary/ sister concern not fulfilling the eligibility criteria on its own strength but submitting bid furnishing credentials of their parent company and vice versa, will not be considered eligible.

Net worth mentioned herein is the sum total of paid up capital and free reserves. Free reserves means all reserves credited out of the profits and share premium account but do not include reserves credited out of revaluation of assets, write back of depreciation provisions and amalgamation. Further, any debit balance of profit & loss account and miscellaneous expenses to the extent not adjusted or written off, if any, shall be reduced from reserves and surplus.

Turnover shall have the meaning ascribed to in section 2(91) of the Companies Act, 2013 or its subsequent revisions

Bidders to submit the Eligibility Document only at the time of BID Submission. No opportunity can be given to the Bidder to supplement the eligibility documents submitted at the time of bid submission. However, clarifications on the documents submitted by the party, at the first instance, can be sought.

22.6 Bidders to submit self attested declaration as to the authenticity of Document they produce and the correctness of claim for the following:-

In support of eligibility and experience, the tenderer is required to submit self attested photocopies of work orders, completion certificates (by concerned authorities etc.) and an affidavit stating that the documents furnished by them are genuine.

In case of any documents/ information submitted by bidder(s) found to be false or containing any misrepresentation of having any fraudulent declaration in it then in such eventuality, legal action (including cancellation of contract, encashment of Security Deposit or Performance Bank Guarantee, banning of business dealing, damages, criminal proceedings etc) as deemed fit may be taken by the employer against the Bidder.

## F. CLARIFICATION MEETING

### 23. Clarification of Bids and Review of Bidders' Proposed Deviations & Alternative Solutions

- 23.1 The Employer may conduct clarification meetings with each or any Bidder to clarify any aspects of its bid that require explanation at this stage of the evaluation. During these meetings, the Employer may bring to the attention of the Bidder any matters, technical or otherwise, where for whatever reason, it requires clarification / details about the bid, to be provided to the bid. All such amendments or changes required by the Employer will be listed in the "Record Notes of Discussions".
- 23.2 The Record Notes of Discussion will contain the exceptions or deviations in the bid that are unacceptable and that are to be withdrawn and of such exceptions or deviations that the Employer finds acceptable.
- 23.3 The Bidder shall submit the balance clarifications, confirmations, documentations etc. as recorded in the Record Notes of Discussion within the time stipulated in the Record Notes of Discussion.
- 23.4 Taking into consideration, the Record Notes of Discussion and the clarifications submitted by Bidder pursuant to **clause 23.3** above, the Employer will carry out further evaluation of the technical and commercial bid in the manner outlined in **clause 20** hereof.
- 23.5 The Employer will also advise the Bidder whether the proposed alternative bid, if any, is acceptable, and will identify the degree (if any) to which such an alternative bid may be incorporated in the Bid.
- 23.6 After holding clarification meetings and at the end of evaluation, the Employer will either:
- (i) advise the Bidder to confirm the validity of their original price bids, or
  - (ii) permit Bidder to submit updated price bid either as incremental/ decremental price with respect to the original price bid or as revised price bid, in a sealed cover at a date informed to the Bidder by the Employer., or  
  
Employer at its option can decide for opening of sealed price bid or discover L-1 price through on-line Reverse Auction, even after calling of sealed price bid  
  
Employer may not resort to reverse auction in case of limited response, suspicion of formation of cartel among bidders and other contingencies., or
  - (iii) invite a Bidder to submit an updated Technical (Part II), Commercial (Part II) and Price Bid (Part III) based on an alternative bid proposed by the Bidder in its bid with the modifications, if any, listed in the Record Notes of Discussion of the Clarification Meetings held with this Bidder, or
  - (iv) notify the Bidder that its Bid has been rejected on the grounds
    - (a) the bid is not responsive
    - (b) the Bidder does not meet the minimum eligibility requirements set forth in the bidding document
    - (c) the Employer determines that the technical bid and/ or alternative bid do not meet his requirements.



- (d) Corporate Insolvency Resolution/Liquidation process as per NCLT has commenced against Bidder / any one of the Consortium member (in case of Consortium Bidding).
- (e) In case any specific adverse report is received against a Bidder as information or upon enquiry made by SAIL, in respect of capabilities and performance of the Bidder as mentioned hereof at **clause 22.2**.

#### 24. Updated Technical, Commercial and Price Bid

- 24.1 In the event, the Employer invites updated bid, the updated Technical, Commercial and Price bid shall be signed, sealed and submitted in the same manner specified for original bids.
- 24.2 The deadline for submission of updated bids and the required validity thereof shall be specified.
- 24.3 The Employer will carry out the technical and commercial evaluation of the updated bid in the manner outlined in **Clause 20** hereof.

#### 25. Price Bid Evaluation

- 25.1 The Employer shall inform and communicate the date, time and venue of reverse auction or opening of price bids, to the Bidders whose offers are found to be techno-commercially acceptable.
- 25.2 Where the Employer decides to open the price bid, it shall do so in the presence of designated representatives of the Bidders who choose to attend, at a date, time and venue communicated to the Bidders by the Employer.
- 25.3 The evaluation shall be done based on the summary price table.
- L-1 Bidder shall be required to submit detailed price tables within ten (10) days of request from the employer.
- In case of incorrect GST declaration by L-1 Bidder, the basic value of the component(s) shall be adjusted without any increase in the Contract Price (net of Input Tax Credit) as mentioned in Summary Price Schedule of FCA at sl. No.16.
- In case of a discrepancy between words and figures and/ or arithmetic error in totaling, corrected arithmetic total will be considered.
- If the Bidder does not accept the correction of errors, its bid will be rejected.
- The comparison shall be “at Employer’s site” price of the facilities. The Employer’s evaluation will also include the costs resulting from application of the evaluation procedures described in ITB **Sub-Clause 25.5** and **Bid Data Sheet**.
- 25.4 The Employer’s evaluation of a bid will take into account, in addition to the bid prices indicated in **Appendix-1**, the following costs and factors that will be added to each Bidder’s bid price in the evaluation, using pricing information available to the Employer, in the manner and to the extent indicated in ITB **Sub-Clause 25.5**.
- (a) the Performance Guarantees of the Facilities offered.
- (b) the extra cost of work, services, Facilities, etc. required to be provided by the Employer or third parties.
- (c) any other relevant factors listed in the **Bid Data Sheet** or in the invitation for the Updated bid, or factors that the Employer deems necessary or prudent to consider.
- 25.5 Pursuant to **ITB Sub-Clause 25.4**, the following evaluation methods will be followed:

(a) **Contractual and Commercial Deviations**

The evaluation shall be based on the evaluated cost of fulfilling the Contractual compliance with all commercial, contractual and technical obligations under this bidding document. In arriving at the evaluated cost, the price for withdrawal of deviations shown in Attachment-5 of the bid will be used, if necessary. If such a price is not given, the Employer will make its own assessment of the cost of such a deviation for the purpose of ensuring fair comparison of bids. Such assessed costs of deviation shall be intimated to the accepted Bidders

(b) **Time Schedule (Program of Performance)**

The Facilities shall be commissioned within the period mentioned in the **Bid Data Sheet**.

Bidders are required to base their prices on the Time Schedule given in the **Bid Data Sheet**.

(c) **Performance Guarantees of the Facilities**

(i) Bidders shall state the performance guarantees (e.g., performance, efficiency, consumption) of the proposed Facilities in response to the Technical Specifications. Plant and equipment offered shall have a minimum (or maximum, as the case may be) level of performance guarantees specified in the Technical Specifications.

(ii) For the purposes of evaluation, the adjustment specified in the **Bid Data Sheet** will be added to the bid price for each drop (or excess) in the responsive performance guarantees offered by the Bidder, below (or above) either a norm of 100 or the value committed in the responsive bid with the most performing functional guarantees, as specified in the **Bid Data Sheet**.

(d) **Specific Additional Criteria**

The relevant evaluation method shall be detailed in the **Bid Data Sheet** and/or in the Technical Specifications. In addition, such method will be used where Bidders are required to provide the price for withdrawal of deviations, pursuant to ITB **Sub-Clause 10.2**. If such a price is not given, the Employer will make its own assessment of the cost of such a deviation for the purpose of ensuring a fair comparison of bids.

25.6 The Employer shall have the right to open the initial price bid and revised price bid together.

25.7 Any adjustments in price that result from the above procedures shall be added, for the purposes of comparative evaluation only, to arrive at the "Evaluated Bid Price." Bid prices quoted by Bidders shall remain unaltered.

**26. Conversion to Single Currency**

26.1 To facilitate evaluation and comparison, the Employer will convert all bid prices expressed in the amounts in various currencies in which the bid price is payable into Indian Rupees based on ITB **clause 26.2** as supplemented in the **Bid Data Sheet**.

26.2 The local currency of the Employers' country, i.e. Indian Rupees (INR) shall be the common base currency for the purpose of evaluation, along with the source and date of exchange rate, as specified in **Bid Data Sheet**.

26.3 In case, it is decided that, price bid needs to be revised on increment or decrement basis after the Techno-commercial discussions, the source and date of exchange rate, shall be same as specified in **Bid Data Sheet**.



- 26.4 In case, a revised price bid needs to be submitted, then the date of exchange rate for conversion into INR shall be the last date of submission of the revised price bid and shall be communicated by the Employer to the bidders. However the source of exchange rate shall remain same as specified in **Bid Data Sheet**.

## **27. Contacting the Employer**

- 27.1 Any effort by a Bidder to influence the Employer in the Employer's bid evaluation, bid comparison or Contract award decisions may result in rejection of the Bidder's bid.

## **G. AWARD OF CONTRACT**

### **28. Changes in Qualification Status**

- 28.1 Prior to proceeding with the award of Contract, if circumstances (in particular adverse report from other SAIL unit) have arisen that would change the Employer's opinion as to whether the Bidder is still qualified to satisfactorily perform the Contract, then Employer may reject the bid.

### **29. Award Criteria**

- 29.1 Subject to ITB **Clause 28 & 30**, the Employer will award the Contract to the successful Bidder whose bid has been determined to be substantially responsive and to be the lowest evaluated bid.

### **30. Employer's Right to accept Any Bid and to reject Any or All Bids**

- 30.1 The Employer reserves the right to accept or reject any First (Original) or Updated bid, and to annul the bidding process and reject all bids at any time prior to award of Contract, without thereby incurring any liability to the affected Bidder or Bidders or any obligation to inform the affected Bidder or Bidders of grounds for the Employer's such action.

### **31. Notification of Award**

- 31.1 Prior to the expiration of the period of Updated bid validity, the Employer will notify the successful Bidder in writing by registered letter or by telefax or scanned document through e-mail, that its Updated bid has been accepted. If the award is without qualification / condition the notification of award will constitute the formation of the Contract. If the award is made with some qualification / condition, then upon the Bidder's acceptance of such qualification / condition the Contract will be constituted.
- 31.2 Before placement of order, the Bidder shall submit an undertaking that as on date no corporate insolvency resolution/liquidation process as per NCLT has been initiated against it. In Consortium Cases, all the Consortium Members have to submit such undertaking individually.

### **32. Signing of Contract Agreement**

- 32.1 After the Employer notifies the successful Bidder that its bid has been accepted, the Employer to facilitate signing of contract within 30 days of Letter of Acceptance (LOA)/ Letter of Intent (LOI), shall provide the draft Contract agreement within 15 days of issue of (LOA) / (LOI).
- 32.2 Within 15 (fifteen) days from the date of receipt of the draft Contract Agreement by the Contractor, the Contract Agreement will be signed. In the case of a consortium becoming the Successful Bidder, all the members of the consortium shall be signatories to the Contract.

32.3 The Effective Date of Contract shall be the date of signing of Contract or 30 days from date of Letter of acceptance (LOA), whichever is earlier.

### **33. Performance Security (Performance Bank Guarantee)**

33.1 Within 30 (thirty) days of signing of the Contract, the successful Bidder shall furnish the Performance Security (Performance Bank Guarantee) for the amount given in the **Bid Data Sheet**, and in the form provided in **Annexure-I to GCC** of the Bidding Documents. If the Successful Bidder is a consortium, the Performance Bank Guarantee shall be submitted by "Consortium Leader (as stipulated at Bid Data Sheet)" or by each individual member of the Consortium in proportion to the price for their respective scope of work as per the Contract.

### **34. Risk Purchase Action**

34.1 Failure of the successful Bidder to comply with the requirements of **ITB Clause 32 or Clause 33** shall constitute sufficient grounds for the annulment of the award, forfeiture of the bid security or invocation of relevant stipulation at ITB clause 11.2' and execution of facilities at the risk and cost of the successful bidder.

### **35. Transfer of Bid Document**

35.1 Bidder who has purchased the Bidding Documents is not permitted to transfer the Bidding Documents to any other party for submitting bids on its behalf. Similarly transfer of bids submitted by one Bidder to another Bidder is not permissible.

### **36. Funding by Bidder**

36.1 If so specified by the Employer in the Invitation for Bids, the Bidder should submit separately an independent proposal for arranging finance in the form of Multilateral / Bilateral Credit / Loan, Bidder's Credit, etc. for the supplies & services to be provided / rendered under the scope of work for the Facilities. The terms & conditions of credit / loan, like principal amount, currency for repayment if credit / loan is from overseas source(s), payment schedule, rate of interest, guarantee fee, commitment fee, management fee, agency fee, financial charges as may be required, etc. should be indicated. Sovereign Guarantee from the government of India shall not be available.

### **37. General**

37.1 The Employer may conduct price negotiations, if required, with L-1 (i.e. lowest evaluated) bidder only.

37.2(a) Any Purchase preference to MSEs/ Local MSEs/ Ancillary Units/ PSUs/Govt. Organisations shall be based on extant guidelines issued by Govt. of India.

Micro & Small Enterprises (MSEs) / Central PSUs/ State PSUs / Govt. Undertakings etc., may be exempted from submission of bid security as per Government policy.

For MSEs the exemption will be extended on basis of self certified copy of Adhar Udyog Memorandum provided the concerned MSE is also registered in MSME databank and MSE is registered for given scope of job/ procurement. SSI / NSIC certificate holders are also exempted from submitting bid security and should submit a copy of valid Entrepreneurs Memorandum, if applicable.

37.2(b) Minimum Local Content (LC) as described in the Public Procurement (Preference to Make in India) Order 2017 (Revised on 29.05.2019) and subsequent amendments, if any, shall be applicable.

37.3 If at any point of time, it was found by the Employer that the bidder has furnished false information, the employer may reject the bid.

37.4 The bidder may download the bidding document from website mentioned in IFB. In case of any discrepancy, the hard copy of the bidding document shall prevail.

### **38 Compliance with Company Law**

**38.1** The Bidder must declare whether:

a) the proprietor / partner / Director of the firm/ company has any relationship within the meaning of Section 6 of the Companies Act 2013 with any of the employee working in the plants / units concerned or Director of SAIL including its subsidiaries and if so, the details or the relation thereof must be furnished.

b) the person or team representing the firm is also representing any other firm participating against the tender and if so, the details thereof must be furnished.

The Bidder must also submit a “Non-collusive Tendering Certificate” against Cartelization as per Annexure-8.

Non-disclosure/ Incorrect disclosure of the above details factually by a firm either on its own while submitting its offer or upon enquiry at the option of SAIL during the scrutiny of its offer may invite penal action against the firm, which may include rejection of the offer, suspension of business dealings or both.

**38.2** The Bidder should submit a declaration to the effect that neither the bidder themselves, nor any of its allied concerns, partners or associates or directors or proprietors involved in any capacity, are currently serving any banning orders issued by SAIL debarring them from carrying on business dealings with SAIL.

\*\*\*\*\*



**BID FORM  
(ITB CLAUSE - 9)**

Bidder's Ref. No. \_\_\_\_\_  
Date: \_\_\_\_\_

To:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**[Name and address of Employer]**

**[Name of Facilities]**

Ref.: Your Tender no. \_\_\_\_\_

Dear Sir,

Having examined the bidding documents, including Addenda, the receipt of which is hereby acknowledged, we, the undersigned, offer the above-named Facilities in full conformity with the said bidding documents for the sum as mentioned in Price Bid or such other sums as may be determined in accordance with the terms and conditions of the Contract.

We further undertake, if invited to do so by you, and at our own cost, to attend a clarification meeting at a place of your choice, for the purpose of reviewing our Bid and duly noting all amendments and additions thereto, and noting omissions therefrom that you may require.

We undertake, if our bid is accepted, to commence execution of work of the Facilities and to achieve completion within the respective times stated in the bidding documents / quoted by us in our bid.

If our bid is accepted, we undertake to provide a Performance Bank Guarantee in the form, in the amount, and within the time specified in the bidding documents.

We agree to abide by this bid, which consists of this letter and Attachments hereto, for a period of .....days (as stipulated in BID Data sheet) from the date fixed for submission of bids as stipulated in the bidding documents, and it shall remain binding upon us and may be accepted by you at any time before the expiration of that period.

Until a formal Contract is prepared and executed between us, this bid, together with your written acceptance thereof and your notification of award, shall constitute a binding Contract between us.

We understand that you are not bound to accept the lowest or any bid you may receive and in-turn we will not have any rights to raise any claim, whatsoever it may be, due to or arising out of rejection of our bids.

Dated this \_\_\_\_\_ day of, 20... \_\_\_\_\_ *[signature]*

In the capacity of \_\_\_\_\_ *[position]*

Duly authorised to sign this bid for and on behalf of \_\_\_\_\_ *[name of bidder]*

**BID SECURITY BANK GUARANTEE**  
**(On Non-Judicial Stamp Paper of appropriate value)**

..... (Name of the Bank)  
Address.....  
.....  
Guarantee No. ....  
A/c Messrs..... (Name of Bidder)  
Date of Expiry.....  
Limit to liability (**currency & amount**) .....  
Invitation For Bid No. .... dated .....  
For..... (Name of Facilities)

**Subject : Bid Security Bank Guarantee.**

To ..... Date ..... 20....  
.....  
Steel Authority of India Limited  
.....  
.....  
[Name and Address of Employer]

Dear Sir,

In consideration of the \_\_\_\_\_ (**Name of Employer**)(hereinafter called "**Employer**") which expression shall unless repugnant to the subject or context include his successors and assigns having agreed to exempt M/s \_\_\_\_\_ (hereinafter called "**Bidder**") from demand under the terms & conditions of the tender (hereinafter called the said "Bidding Document") issued by the Employer vide No. \_\_\_\_\_ for the works \_\_\_\_\_ (**Name of the Facilities**) from deposit of Bid Security in the form of Demand draft/ cheque for the due fulfillment by the Bidder of the terms and conditions contained in the said Bidding Document including any amendments thereto on production of Bank Guarantee for Rs. / \_\_\_\_\_ (**Rupees / or equivalent amount in any freely convertible foreign currency**)(\_\_\_\_\_ only) (**figure in words**).

1. We ..... (**Name of the Bank**) do hereby expressly irrevocably and unreservedly undertake to unconditionally pay to you merely on your written demand, without referring it to the contractor and without protest and demur an amount not exceeding ..... (**currency and amount**). Any such demand made on us shall be conclusive as regards the amount due and payable by us under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding .....
2. Notwithstanding anything to the contrary we agree that your decision as to whether the Contractor has committed a breach of any terms and conditions of the contract shall be final and binding on us and we shall not be entitled to ask you to establish your claim or claims under this Guarantee but shall pay the same forthwith without any objection or excuse.

3. We undertake to pay to you any money so demanded notwithstanding any dispute or disputes raised by the Contractor(s) / supplier(s) in any suit or proceeding pending before any court or Tribunal or arbitration relating thereto, our liability under these presents being absolute and unequivocal.  
  
The payment so made by us under this Guarantee shall be a valid discharge of our liability for payment thereunder.
4. This guarantee shall come into force from the date of issue of this guarantee and shall remain irrevocably valid and enforceable initially upto \_\_\_\_\_ unless a demand or claim under this guarantee is made on us in writing on or before \_\_\_\_\_ we shall be discharged from all liability under this guarantee.
5. We \_\_\_\_\_ Bank Ltd. further agree with you that you shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Bidding Document and we shall not be relieved from our liability by reason of any such variation.
6. It shall not be necessary for the Employer to proceed against the Bidder before proceeding against the Bank and the Guarantee herein contained shall be enforceable against the Bank, notwithstanding any security which Employer may have obtained from the Bidder at this time when proceedings are taken against Bank hereunder be outstanding or unrealised.
7. We \_\_\_\_\_ Bank Ltd. further undertake to unconditionally pay the amount claimed by the Employer merely on demand and without protest or demur to the extent aforesaid.
8. Notwithstanding anything contained herein before our liability under this guarantee is restricted upto a sum ..... (**currency and amount**) and shall expire on ..... unless a claim or demand is made on us in writing within one year of expiry date all your rights shall be forfeited and we shall stand relieved and discharged from our liabilities hereunder.
9. We, the said Bank lastly undertake not to revoke this guarantee during its currency except with the previous consent of the Employer in writing and agree that any change in the constitution of the Employer or the Bidder or the said Bank shall not discharge our liability hereunder dated \_\_\_\_\_ day of \_\_\_\_\_ 20.. \_\_\_\_\_ for \_\_\_\_\_ Bank Ltd.
10. We, the said Bank lastly confirm that the Signatory(s) of this Guarantee is/are authorized to issue this Guarantee on behalf of the Bank and the Bank undertakes the full responsibility to this effect.

Yours faithfully

For .....  
(**Name of the Bank**)

*Note: The non-judicial stamp (NJS) paper should be purchased in the name of the Bank issuing the BG; date of purchase of NJS paper should not be prior to the date of issue of the tender / contract as the case may be.*

**GUIDELINES FOR INDIAN AGENTS OF FOREIGN SUPPLIERS**

- 1.0 There shall be compulsory registration of agents for all Global (Open) Tender and Limited Tender of SAIL Plants / Units. An agent who is not registered with SAIL Plants / Units shall apply for registration in the enclosed format.
- 2.0 Registered agents will file an authenticated Photostat copy of agency agreement giving the status being enjoyed by the agent and the commission / remuneration / salary / retainership being paid by the principal to the agent before the placement of order by SAIL Plants / Units.

Wherever the Indian representatives have communicated on behalf of their principals and the foreign parties state that they are not paying any commission to the Indian agents, and the Indian representative is working on the basis of salary or as retainer, a written declaration to this effect shall be submitted by the party (i.e. Principal)

- 3.0 **DISCLOSURE OF PARTICULARS OF AGENTS/REPRESENTATIVES IN INDIA, IF ANY**
  - 3.1.0 Tenderers of foreign nationality shall furnish the following details in their offer.
    - 3.1.1 The name and address of the agents / representative in India, if any and the extent of authorisation and authority given to commit the Principals. In case the agent / representative be a foreign company, it shall be confirmed whether it is real substantial company and details of the same shall be furnished.
    - 3.1.2 The amount of commission / remuneration included in the quoted price (s) for such agents / representatives in India.
    - 3.1.3 Confirmation of the Tenderer that the commission / remuneration, if any, payable to this agents / representatives in India, if any, may be paid by SAIL in India in Indian Rupees only.
  - 3.2.0 Tenderers of Indian Nationality shall furnish the following details in their offers :
    - 3.2.1 The name and address of the foreign principals indicating their nationality as well as their status, i.e., whether manufacturer or agent of manufacturer holding the Letter of Authority of the principal specifically authorising to make an offer in India in response to tender either directly or through the agents / representatives.
    - 3.2.2 The amount of commission / remuneration included in the price (s) quoted by the Tenderer for himself.
    - 3.2.3 Confirmation of the foreign principals of the Tenderer that the commission / remuneration, if any, reserved for the Tenderer in the quoted price (s), may be paid by SAIL in India in equivalent Indian Rupees on satisfactory completion of the project.
  - 3.3.0 In either case, in the event of Contract materialising, the terms of payment will provide for payment of the commission / remuneration, if any payable to the agents / representatives in India in Indian Rupees about 90 days after the discharge of the obligations under the Contract.
  - 3.4.0 Failure to furnish correct and detailed information as called for in paragraph - 3.1 and paragraph - 3.2 above will render the concerned tender liable to rejection or in the event of a Contract materializing, the same liable to termination by SAIL.

---

## **APPLICATION FORM FOR REGISTRATION**

### **IMPORTANT INSTRUCTION**

- (1) An Indian agent can represent only one foreign bidder in a particular tender.
- (2) In case you are an Indian agent for a number of foreign principals, you may please submit separate application for each of these principals by taking out additional photo copies of this application form.
- (3) Wherever postal pin code is desired, it must be given.
- (4) Full and unambiguous reply to each query must be given or else your application may not be processed at all.
- (5) Wherever necessary extra sheet can be attached and mention of this may be made against the appropriate column of the application.



---

**APPLICATION FOR REGISTRATION OF INDIAN AGENTS**FILE NO. \_\_\_\_\_  
*(Not to be filled in by the Applicant)***PART - I**

(i) Name of the firm

\_\_\_\_\_  
\_\_\_\_\_(ii) Date of incorporation  
(DD MM YY) \_\_\_\_\_

(iii) Address of the Registered Office

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PIN CODE \_\_\_\_\_

TELEX ADDRESS \_\_\_\_\_

TELE. NO. \_\_\_\_\_

(iv) Address of the Head Office

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PIN CODE \_\_\_\_\_

TELEX ADDRESS \_\_\_\_\_

TELE. NO. \_\_\_\_\_

(v) Address of the Branches

Address	Telex Address	Telephone No.
_____	_____	_____
_____	_____	_____
_____	_____	_____

**PART - II**(i) Status of firm  
(put a tick mark  
to whichever is  
applicable)

1. Proprietorship concern
2. Partnership concern
3. Private Limited
4. Public Limited
5. Central Govt. Undertaking
6. State Govt. Undertaking

*(Detailed structure of Contractor's firm may be furnished)*

**PART - III**

- (i) a) Name of the Principal (whose agent is seeking registration)  
\_\_\_\_\_  
\_\_\_\_\_
- b) Address  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- PIN CODE \_\_\_\_\_  
TELEX ADDRESS \_\_\_\_\_  
TELE. NO. \_\_\_\_\_
- c) STORES FOR WHICH REGISTRATION REQUIRED
- | S.No. | Name of Stores |
|-------|----------------|
| _____ | _____          |
| _____ | _____          |
| _____ | _____          |
| _____ | _____          |
- (ii) Are you sole selling agent for the Principal : Y/N  
(if yes, furnish copy of valid agreement duly attested)
- a) Date of appointment as sole selling agent \_\_\_\_\_
- b) Date upto which appointment is valid \_\_\_\_\_
- c) Percentage of commission \_\_\_\_\_
- d) If the agent has authority to commit and sign on behalf of the Principal Y / N
- (iii) Whether you are prepared to quote and receive payment in Indian Rupees Y / N
- (iv) Have you facility to offer after sales service Y / N  
(if yes, give details of facilities)
- (v) Have you firm / partners / proprietors / Director done business in the past with
- (a) Any other Public Sector Undertakings Y / N
- (b) Any other Government Department Y / N  
(if yes, give details)

Signature of Applicant  
Proprietor / Authorised Partner /Director

Place :  
Date :

**MEMORANDUM OF AGREEMENT (CONSORTIUM AGREEMENT)**

***(On Non-Judicial Stamp Paper of appropriate value)***

**THE BID FOR** design, engineering, manufacture, supply, transportation, unloading, storage, In-plant transportation to site from stores, civil and structural works, erection, testing & commissioning, stabilization and performance guarantee ..... inclusive of all facilities within the battery limits on total turnkey basis for **SAIL, ----Plant** (hereinafter referred to as "**Employer**") (Refer; Document No. ....)

**THE COMPANIES:**

....., a company organized and established under the laws of ....., having its Registered office at ..... / ....., (hereinafter referred to as ".....");

**AND**

....., a company organized and established under the laws of ....., having its Registered office at ..... / ....., (hereinafter referred to as ".....");

**AND**

....., a company organized and established under the laws of ....., having its Registered office at ..... / ....., (hereinafter referred to as ".....");

(hereinafter referred to individually as "PARTY" and collectively as "PARTIES" and as "Consortium") have entered into the following Consortium Agreement (the "AGREEMENT") on this .....day of ....., 20...

**WHEREAS**

The **Employer** has issued to the said Consortium the Document No. .... dated ..... for the design, engineering work, structures & equipment, fabrication & supply of steel structures, manufacture & supply of plant & equipment and refractories, intermediate storage, insurance & handling, erection work, testing, pre-commissioning, start-up & commissioning and demonstration and establishment of performance guarantee parameters of a ..... inclusive of all facilities within the battery limits on divisible turnkey basis for **SAIL, ----Plant** (hereinafter referred to as "PROJECT"); and

**WHEREAS**

- a) ..... has proven technology, know-how, design and engineering experience in supply of new/rebuilt ..... and more
- b) ..... has expertise in engineering, supply of equipment and supervision of erection/commissioning of new/rebuilt ..... Plants;
- c) ..... has a proven track record in design and engineering as well as established credentials in supply of equipment and execution of entire civil and structural works, erection and commissioning for new/rebuilt .....
- d) ..... shall be the Leader of this Consortium for the PROJECT 'having **maximum share of work in value terms**'/ "being the Technology supplier and having **minimum..... % of job or share of work in value terms**". (Strike out as per stipulations at BDS)
- e) The percentage of scope of work to be carried out by each member in terms of value of the contract is as follows:

S.No.	Name of the Party/ Member of Consortium	%of scope of work in value terms
-------	---	----------------------------------

1.	.....	.....
----	-------	-------

2. ....
  3. ....
- f) The PARTIES meet the eligibility criteria for ..... Package as per **Employer's** Tender Notice Document No. ...., dated .....
- g) The PARTIES shall coordinate their offers in such a way that they will jointly fulfill the requirements of the **Employer** and may be awarded with the contract for execution of the design & engineering work, structures & equipment, fabrication & Supply of steel structures, manufacture & supply of plant & equipment and refractories, intermediate storage, insurance & handling, erection work, testing, pre-commissioning, start-up & commissioning and demonstration & establishment of performance guarantee parameters for ..... inclusive of all facilities within the battery limits on divisible turnkey basis (hereinafter referred to as "CONTRACT").

NOW THEREFORE, the PARTIES witnessed as follows:

1. The PARTIES, each having his own expertise and each as a separate legal entity, shall join their efforts in order to make the Consortium the successful bidders for award of the CONTRACT and execution of the PROJECT.  
  
The PARTIES appoint .....as the Consortium leader.
2. Leader of the consortium shall be overall responsible for the execution of the Contract. The Leader and other Members of the Consortium shall be jointly and severally responsible and liable for the execution of the Contract, but will be liable for damages in proportion of the respective Contract Price (In case of successful bidding and CONTRACT award) in accordance with the CONTRACT terms.
3. Notwithstanding the provisions of being jointly and severally liable to Employer by all members of consortium, the leader of consortium shall be primarily responsible for full execution of the entire "Scope of work" of this tender/Contract, so that the SAIL, ----- Plant gets the facilities completed in time in all respect.
4. Leader of this Consortium is only authorized for exchange of correspondence with SAIL, ----- Plant and shall be responsible for it. Such correspondence exchanged between SAIL, ----- Plant and Leader shall be binding on all Consortium Members.
5. Leader of this Consortium shall undertake full responsibility for performance of the contract as per terms and conditions of the contract agreement and PARTIES confirm its full commitment to the Leader for execution of its respective scope of work with full responsibility. PARTIES further agree that in case one or more member of this consortium repeatedly neglects to perform its respective scope, the Leader shall be authorized to take over the balance scope of work from the defaulting member and complete it at cost to the defaulting member.
6. Leader of this Consortium shall take the overall responsibility of project management of entire project. However, each PARTY shall remain responsible towards the other PARTY for its respective scope of work for its actions and deficiencies.
7. The PARTIES undertake to co-operate with each other according to the principles of good faith and to refrain from acting in any way that may contravene the aims and objectives of this AGREEMENT and to make every reasonable effort in order to prevent or minimize any possible disadvantages for the other PARTY. The cooperation of the PARTIES under the AGREEMENT is on mutual exclusive basis.

Therefore, no PARTY shall in any way - whether directly or indirectly - cooperate with any new person, company or firm (whether it is a competitor of the PARTIES or not) for the subject matter of this AGREEMENT. However, Leader of this Consortium shall be

responsible for resolving any disputes/ misunderstanding / undefined activities etc., if any, amongst all the members of the Consortium.

8. The respective preliminary scope of work of each PARTY is described in Technical offer(s),
9. Each PARTY shall bear its costs, it incurs for the offer preparation and in case of award each PARTY shall be fully responsible and liable for the complete performance of its respective scope of work according to the CONTRACT and this AGREEMENT. This includes but is not limited to the respective liability of a PARTY under the CONTRACT and under this AGREEMENT and each PARTY's liability for damages from its non-performance, defective, faulty or delayed performance, whether of a PARTY itself or its sub-contractors as per the provisions of the CONTRACT.

Each PARTY shall obtain and provide all necessary bank guarantees / bonds required according to the CONTRACT with respect to its specified Scope of Work and shall bear all related costs, charges and risks as shall be agreed in the CONTRACT.

10. Any dispute, which may arise at any time out of this AGREEMENT and any subsequent amendment or in connection with the same shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce (ICC) by an arbitration panel to be appointed according to the said Rules. The venue of the Arbitration shall be in ....., the language of the proceedings shall be English.
11. This AGREEMENT shall become effective upon signature by the PARTIES and shall remain in full force and effect until all obligations, liabilities and warranties undertaken / given by the PARTIES in connection with the present AGREEMENT have been settled.

In case of CONTRACT award, a separate Consortium Agreement for execution of the PROJECT will be concluded.

12. This AGREEMENT may be terminated by either PARTY with immediate effect by written notice to the other PARTY if:
  - the other PARTY is declared insolvent or bankrupt or If a liquidator or receiver is appointed to that PARTY, or if an event happens that has a similar effect; or
  - the CONTRACT is not awarded to the PARTIES by the **Employer** or if the **Employer** abandons the PROJECT or if the **Employer** awards the contract to a third party other than the PARTIES hereto.

13. Modifications and supplements to this AGREEMENT require mutual agreement between all PARTIES and must be in writing in order to be effective.
14. None of the PARTIES shall have the right to introduce a new party or Consortium member or to assign or in any way transfer any of its rights or obligations under this AGREEMENT to any other company, firm or person without first obtaining the consent in writing of the other PARTIES.
15. The role and responsibility of each member (Division of Work) is enclosed.

Signed on this ..... day of .....(month)..... of the year of ..... by the authorised representatives of

\_\_\_\_\_  
.....  
\_\_\_\_\_  
.....  
\_\_\_\_\_  
.....



**UNDERTAKING BY LICENSOR**  
**(On Non-Judicial Stamp Paper of appropriate value)**

To  
The Steel Authority of India Limited  
.....  
.....

Date:.....

Sub: **Tender for** ..... - **Submission of Undertaking by**  
.....

Ref: .....

Dear Sirs,

We acknowledge the receipt of your above referred letter no..... dt ..... Addressed to our Licensee ..... advising an undertaking from us (the Licensor). As desired by you, we would like to furnish our undertaking as per the following:

1. We confirm that we will sign the contract between SAIL-..... and .....as (the Licensee) witness.
2. We do undertake to assist the ..... in execution of the project (the Licensee) complying all the process, performance guarantee and other parameters envisaged in the Contract Agreement/MOU within the fixed time schedule.
3. We will remain bound by the License Agreement signed by us and .....till the successful completion of the project being (the Licensee)  
  
executed by our licensee and shall remain jointly and severally liable along with the licensee for the license agreement, which has been entered between us and ..... till the completion and performance of the project. (the Licensee)
4. We undertake and agree with SAIL, ..... that if for any reason we violate the License Agreement or fail to fulfill the contractual obligations undertaken by us in the agreement with the Licensee, we shall be liable to the SAIL, .....as well as to its Licensee and we indemnify SAIL against any and all the losses or damages which are caused by material breach of the License Agreement by us. In no event shall our liability based on contract law, torts, negligence or any other area of law towards SAIL, .....exceed scope of services of the Licensee in the contract with SAIL ..... equal to..... and we shall not be liable for any indirect or consequential harms, losses or damages nor for loss of use or profit, loss of revenues, loss of production, delays in operations, anticipated profit or production except in willful misconduct / criminal negligence.

As desired by you, we have given above undertaking and hope the same meets your requirement.

Yours sincerely  
.....

**CHECK LIST FOR SUBMISSION OF BID**
**Tender No.:**
**Bidder's Ref. No.:**
**Name of Facilities:**

S.N.	Details of document.	Remarks (Applicable/ Not applicable) (Attached/ Not attached) If not attached, reasons
	<b>Part-I</b>	
1.	Cost of Tender document (If downloaded from website)/ Payment Receipt copy (If purchased)	
2.	Bid Security	
	<b>Part-II</b> (1 original + 10 copies)	
1.	Bid Form	
2.	<i>Attachment-1</i> – Power of Attorney.	
3.	<i>Attachment-2</i> – - Bidders Eligibility & qualification. - Undertaking by Licensor (if applicable), as per Annexure-5	
4.	<i>Attachment-3</i> – Eligibility and conformity of the Facility.	
5.	<i>Attachment-4</i> – Vendors proposed by the Bidder for Indian component	
6.	<i>Attachment-5</i> – Deviations, if any, along with softcopy in MS word format in an appropriate and protected media	
7.	<i>Attachment-6</i> – Alternative Bid (If any)	
8.	MoA (as per Annexure-4) between consortium members, if applicable, along with division of work.	
9.	Un-priced copy of price bid with the word 'Quoted' where price is to be quoted. However, the % (percentage) quoted towards erection & site activities must be declared.	
10.	Bar Chart	
11.	3-yrs. Audited Balance Sheet (s) and profit and loss account.	
12.	Integrity Pact duly signed (If applicable)	
13.	Others, if any.	
	<b>Part-III</b>	
1.	Price Bid	

**Self Certification and Undertaking by Bidder (by each member if bid is by a Consortium)**  
**regarding Insolvency/Liquidation Process under NCLT**  
(on non-judicial stamp paper of appropriate value)

To,

-----  
Steel Authority of India Ltd  
-----  
-----

(Name & Address of the Employer)

Sub: Tender for..... - Submission of Undertaking by.....

Ref: Invitation for Bid No.....Dt.....

Dear Sir,

The undersigned hereby certifies that no corporate insolvency resolution/liquidation process has commenced in respect of the bidder herein as on the date of submission of tender documents pertaining to the above referred Invitation for Bid.

We undertake to inform SAIL as soon as any corporate insolvency resolution/liquidation process, is initiated against us.

Thanking you,

Yours sincerely,



**FORMAT FOR NON-COLLUSIVE TENDERING CERTIFICATE**  
**(to be signed by an authorised person on the Tenderer's behalf)**

To

Plants/ Units  
Steel Authority of India Limited  
Place

Dear Sir/ Madam,

Non-Collusive Tendering Certificate for {Contract No. (        )} (the "Contract")

1. We, (name(s) of the tenderer(s)) of (address(es) of the tenderer(s)) refer to the tender for the contract (the "Tender") and our bid in relation to the Tender.

**Non-collusion**

2. We represent and warrant that in relation to the Tender:

- (a) Our bid was developed genuinely, independently and made with the intention to accept the/ Contract it awarded;
- (b) Our bid was not prepared with any agreement, arrangement, communication, understanding, promise of undertaking with any person (including any other tenderer or competitor) regarding:
  - i) prices;
  - ii) methods, factors or formulas used to calculate prices;
  - iii) an intention or decision to submit, a bid;
  - iv) an intention or decision to withdraw a bid;
  - v) the submission of bid that does not conform with the requirements of the tender;
  - vi) the quality, quantity, specifications or delivery particulars of the products or services to which this tender relates; and
  - vii) the terms of the bid, and we undertake that we will not, prior to the award of the Contract, enter into or engage in any of the foregoing.

3. Paragraph 2(b) of this certificate shall not apply to agreements, arrangements, communications, understandings, promises or undertakings with:

- (a) the Plants/ Units, Steel Authority of India Limited, Place;
- (b) a joint venture partner, where joint venture agreements, arrangements, relevant to the bid exist and which are notified to the Plants/ Units-----, Steel Authority of India Limited, Place -----;
- (c) consultants or sub-contractors, provided that the communications are held in strict confidence and limited to the information required to facilitate that particular consultancy arrangement or sub-contract;
- (d) professional advisers, provided that the communications are held in strict confidence and limited to the information required for the adviser to render their professional advice in relation to the Tender;
- (e) insurers or brokers for the purpose of obtaining an insurance quote, provided that the communications are held in strict confidence and limited to the information required to facilitate that particular insurance arrangement; and
- (f) banks for the purpose of obtaining financing for the contract, provided that the communications are held in strict confidence and limited to the information required to facilitate that financing.

---

**Disclosure of subcontracting**

4. We understand that we are required to disclose all intended sub-contracting arrangements relating to the Tender to the Plants/ Units-----, Steel Authority of India Limited, Place -----, including those which are entered into after the Contract is awarded. We warrant that we have duly disclosed and will continue to disclose such arrangements to the Plants/ Units-----, Steel Authority of India Limited, Place -----.

**Consequences of breach or non-compliance**

5. We understand that in the event of any breach or non-compliance with any warranties or undertakings in this certificate, the Plants/ Units-----, Steel Authority of India Limited, Place ----- may, at its discretion, invalidate our bid, exclude us in future tenders, pursue damages or other forms of redress from us (including but not limited to damages for delay, costs and expenses of re-tendering and other costs incurred), and /or (in the event that we are awarded the Contract) terminate the Contract.
6. Under the competition Ordinance, bid-rigging is serious anti-competitive conduct. We understand that the Plants/ Units-----, Steel Authority of India Limited, Place ----- may, at its discretion, report all suspected instances of bid-rigging to the Competition Commission (the "Commission") and provide the commission with any relevant information, including but not limited to information on our bid and our personal information.

Signed for and on behalf of the (tenderer)

Signature:

Name:

Position:

Date:

**Bid-Securing Declaration**  
(In lieu of Bid Security)

Bidder's Ref. No. ....  
Date: .....

To  
.....  
Steel Authority of India Limited  
.....  
.....  
**[Name and Address of Employer]**

[Ref- Invitation For Bid No. .... dated .....  
For..... (Name of Facilities)]

Dear Sir,

I/We\*, the undersigned, declare that:

I/We\* understand that, according to your conditions, bids must be supported by a Bid-Securing Declaration in lieu of Bid Security.

I/We\* understand that if I/We\* withdraw or modify our Bids during the period of validity, or if I/We\* go for any other breach of the Bid, or if I/We\* are awarded the contract and I/We fail to sign the contract, or to submit a performance bank guarantee before the deadline defined at ITB in the request for bids document, I/We will be suspended for the period of one year from being eligible to submit Bids for all future contracts.

I/We\* understand this Bid Securing Declaration shall cease to be valid if I am/we are\* not the successful Bidder, upon the earlier of (i) the receipt of your notification of the name of the successful Bidder; or (ii) thirty days after the expiration of the validity of my/our\* Bid.

Signed: *[insert signature of person whose name and capacity are shown]* In the capacity of *[insert legal capacity of person signing the Bid Securing Declaration]*

Name: *[insert complete name of person signing the Bid Securing Declaration]*

Duly authorized to sign the bid for and on behalf of: *[insert complete name of Bidder]*

Dated on \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ *[insert date of signing]*

Corporate Seal (where appropriate)

*[Note:*

- a) *In case of a Joint Venture, the Bid Securing Declaration must be in the name of all partners to the Joint Venture that submits the bid.*
- b) *In case of a Consortium, the Bid Securing Declaration must be in the name of all participating members to the consortium that submits the bid.]*

**\*Please delete as appropriate**

**BIDDERS SHALL SUBMIT COMPLIANCE OF THE CLAUSES GIVEN BELOW  
IN THEIR OFFER.**

This is as per office OM F.No.6/18/2019-PPD dated 23<sup>rd</sup> July 2020 inserting Rule 144 (xi) in the General Finance Rules (GFRs) 2017 by "Department of Expenditure, Public Procurement Division, Ministry of Finance".

- I. Any bidder from a country which shares a land border with India will be eligible to bid in this tender, only if the bidder is registered with the Competent Authority. Competent authority for the purpose of registration shall be the Registration Committee constituted by the Department for Promotion of Industry and Internal Trade (DPIIT).
  
- II. "Bidder" (including the term 'Tenderer', 'Bidder', 'Contractor', 'Consortium' or 'Service Provider' in certain contexts) means any person or firm or company, including any member of a consortium or joint venture (that is an association of several persons, or firms or companies), every artificial juridical person not falling in any of the descriptions of bidders stated hereinbefore, including any agency branch or office controlled by such person, participating in a procurement process.
  
- III. "Bidder from a country which shares a land border with India" for the purpose of this Order means:
  - a. An entity incorporated, established or registered in such a country; or
  - b. A subsidiary of an entity incorporated, established or registered in such a country; or
  - c. An entity substantially controlled through entities incorporated, established or registered in such a country; or
  - d. An entity whose beneficial owner is situated in such a country; or
  - e. An Indian (or other) agent of such an entity; or
  - f. A natural person who is a citizen of such a country; or
  - g. A consortium or joint venture where any member of the consortium or joint venture falls under any of the above
  
- IV. The beneficial owner for the purpose of (III) above will be as under:
  1. In case of a company or Limited Liability Partnership, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has a controlling ownership interest or who exercises control through other means.

Explanation -

- a) "Controlling ownership interest" means ownership of or entitlement to more than twenty-five per cent of shares or capital or profits of the company;

- b) "Control" shall include the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements;
2. In case of a partnership firm, the beneficial owner is the natural person(s) who, whether acting alone or together, or through one or more juridical person, has ownership of entitlement to more than fifteen percent of capital or profits of the partnership;
  3. In case of an unincorporated association or body of individuals, the beneficial owner is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than fifteen percent of the property or capital or profits of such association or body of individuals;
  4. Where no natural person is identified under (1 ) or (2) or (3) above, the beneficial owner is the relevant natural person who holds the position of senior managing official;
  5. In case of a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with fifteen percent or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.
- V. An Agent is a person employed to do any act for another, or to represent another in dealings with third person.
- VI. The successful bidder shall not be allowed to sub-contract works to any contractor from a country which shares a land border with India unless such contractor is registered with the Competent Authority. The definition of "contractor from a country which shares a land border with India" shall be as in paragraph III above.
- VII. Validity of Registration: Registration should be valid at the time of submission of bids and should be valid at the time of placement of order.
- VIII. The above provisions will not be applicable to bidders from those countries (even if sharing a land border with India) to which the Government of India has extended lines of credit or in which the Government of India is engaged in development projects (as per list given in the website of the Ministry of External Affairs).
- IX. The bidder shall submit a certificate/ undertaking for compliance with regard to above as given at **Appendix-1 to Annexure-10**.

Any false declaration and non-compliance of the above would be a ground for immediate rejection of offer or termination of the contract and further legal action in accordance with the laws.

\*\*\*\*\*

**Appendix-1 to ANNEXURE-10**

**CERTIFICATE/ UNDERTAKING FOR COMPLIANCE WITH REGARD TO  
GUIDELINES GIVEN AT ANNEXURE-10**

**(by each member if bid is by a Consortium)**

Date:.....

To

The Steel Authority of India Limited  
.....  
.....

Sub: **Tender for .....** - **Submission of  
Certificate/Undertaking by .....**

Ref: .....

Dear Sirs,

A. (as the case may be)

We have read and understood the clauses given at Annexure-10. We hereby certify that we are not included under any of the clauses appearing in the guidelines at Annexure-10 and we are eligible to quote for this tender.

**OR**

We have read and understood the clauses given at Annexure-10. We hereby certify that we are eligible to quote for this tender, based on registration with the Competent Authority. The validity of the registration is upto \_\_\_\_\_ and this shall be kept valid at the time of placement of order (if any). A copy of the registration issued by Competent Authority, duly notarized is attached herewith.

B. We hereby certify and undertake that in case of becoming successful bidder, we shall mandatorily comply with clause VI of the guidelines at Annexure-10.

C. We hereby confirm and accept that any false declaration and non-compliance of the clauses given in Annexure-10 would be a ground for immediate rejection of our offer or termination of the contract and further legal action in accordance with the laws.

Dated this \_\_\_\_\_ day of, 20... \_\_\_\_\_ [signature]

In the capacity of \_\_\_\_\_ [position]

Duly authorised to sign this bid for and on behalf of \_\_\_\_\_ [name of bidder]

*Note: The above Certificate in Original shall be submitted in the letterhead of the bidder and signed by the Power of Attorney holder, who is authorized to sign the bid documents*

# FORM OF CONTRACT AGREEMENT

## **FORM OF CONTRACT AGREEMENT**

THIS CONTRACT NO. \_\_\_\_\_ made this \_\_\_\_\_ Day of \_\_\_\_\_, Two thousand \_\_\_\_\_ at \_\_\_\_\_.

### **BETWEEN**

**STEEL AUTHORITY OF INDIA LIMITED**, a Company incorporated under the Companies Act, 1956 and having its registered office at Ispat Bhavan, Lodi Road, New Delhi 110 003, India, having one of its plants \_\_\_\_\_ **Steel Plant** at \_\_\_\_\_ (hereinafter referred to as the "**Employer**") which term or expression unless excluded by or repugnant to the context or the meaning thereof, shall be deemed to include its successors and permitted assigns, **OF THE ONE PART**,

### **AND**

**M/s.** \_\_\_\_\_, a Company organised and existing under the laws of \_\_\_\_\_ (*Name of the Country*) and having its Registered Office at \_\_\_\_\_ (hereinafter referred to as "**Contractor**"), which term or expression unless excluded by or repugnant to the context or meaning thereof, shall be deemed to include its successors and permitted assigns, **OF THE OTHER PART**

### **AND WHEREAS**

- a) The Employer has decided to set-up \_\_\_\_\_ (*Name of the Facilities*) at \_\_\_\_\_ Steel Plant, (hereinafter referred to as the "**Facilities** "), and
- b) The Contractor has declared that the Contractor has valuable and specialized knowledge and expertise for providing and executing the above Facilities and
- c) The Contractor has declared that the Contractor is in a position to disclose, impart, deliver and transfer the requisite engineering data, drawings and documents of those items which are in the scope of the Contractor in this Contract, to the Employer for the engineering of the Facilities and for erection, start-up and commissioning of the Facilities with the aim to manufacture product as specified in the Contract, and
- d) The Contractor has obtained clarifications on technical and commercial aspects, inspected the site and surroundings of Facilities and has examined and considered all other matters, conditions and things, probable contingencies and generally all matters incidental thereto and ancillary thereof, affecting the execution and completion of the Facilities, and
- e) The Contractor has agreed to undertake design & engineering, civil engineering work, dismantling of buildings, structures & equipment, fabrication & supply of steel structures, manufacture & supply of plant and equipment, manufacture & supply of refractories, intermediate storage, insurance & handling, erection work, testing, precommissioning, start-up & commissioning and demonstration & establishment of performance guarantee parameters of the Facilities.



**NOW IT IS HEREBY AGREED as follows:**

**Article 1      Contract Documents**

1.1      **Definitions** (Reference GCC Clause 1)

1.2      **Contract Documents** (Reference GCC Clause 2)

The following documents shall constitute the Contract between the Employer and the Contractor, and each shall be read and construed as an integral part of the Contract :

- (a)      This Contract Agreement and Appendices hereto
- (b)      Special Conditions of Contract and Annexure hereto
- (c)      General Conditions of Contract and Annexure hereto
- (d)      Technical Specifications
- (e)      General Technical Specifications (if any)
- (f)      Safety code for Contractors
- (g)      Integrity Pact, if applicable
- (h)      Guidelines on Banning of Business Dealing
- (i)      Any other documents shall be added here

1.3      **Order of Precedence** (Reference GCC Clause 2)

In the event of any ambiguity or conflict between the Contract Documents listed above, the order of precedence shall be the order in which the Contract Documents are listed in Article 1.2 (Contract Documents) above.

**Article 2      Contract Price and Terms of Payment**

2.1      **Contract Price** (Reference GCC Clause 11 & Appendix-1)

The Employer hereby agrees to pay to the Contractor the Contract Price in consideration of the performance by the Contractor of its obligations hereunder. The Contract Price shall be the aggregate of: [*amount of foreign currency in words*], [*amount in figures*], and [*amount of local currency in words*], [*amount in figures*], or such other sums as may be determined in accordance with the terms and conditions of the Contract.

The amount of Input Tax credit to be passed on to the Employer is Rs \_\_\_\_\_ (in figures) Rupees \_\_\_\_\_ (in words) or such other sums as may be determined in accordance with the terms and conditions of the Contract.

2.2      **Terms of Payment** (Reference Appendix-3)

The terms of payment are given in Appendix-3.

2.3      **Price Adjustment due to Variation in Price Indices**

Base date for price adjustment is \_\_\_\_\_. Price adjustment shall be governed by Appendix 4.

---

**Article 3**      **Effective Date**

- 3.1      The Effective Date of Contract shall be ..... (*The date of signing of Contract or 30 days from LOA whichever is earlier*).

**Article 4**      **Scope of Facilities** (Reference GCC Clause 7 & Technical Specifications)

- 4.1      The Contract is for the execution of Scope of Facilities as specified in the GCC Clause 7 and Technical Specifications, on divisible turnkey basis. The quantities/ weights of any item are indicative only for the purpose of making progress payments on pro-rata basis as per Sub-Clause 2.3 of Appendix-3.

- 4.2      For indigenous goods & services, should the actual quantities/ weights differ from the indicated ones, neither the Contractor shall be entitled to get any additional price from the Employer nor is the Employer entitled to deduct any amount from the Contract Price due to variation in physical quantities / weight.

However, wherever the prices are quoted in foreign currency, value of unsupplied goods and unexecuted services shall not be paid.

- 4.3      The leader and other members of the consortium shall be jointly & severally responsible and liable for execution of the contract, but will be liable for damages in proportion to the respective scope of facilities.

Notwithstanding the provisions of being jointly and severally liable to Employer by all members of consortium, the leader of consortium shall be primarily responsible for full execution of the entire "Scope of work" of this Contract, so that the Employer gets the facilities completed in time in all respects.

*(May be struck-off if not applicable)*

**Article 5**      **Time for Completion** (Reference GCC Clause 8 & Appendix-2)

- 5.1      The Facilities shall be commissioned in \_\_\_\_\_ months from the Effective Date of the Contract.

The Performance Bank Guarantee (PBG) shall be submitted by the Contractor within 30 days of signing of Contract.

The Letter of Credit (LC), if applicable, shall be opened by Employer within 30 (thirty) days of 'receipt of correct Performance Bank Guarantee from the Contractor in the format as per **Annexure 1** of GCC and its confirmation from the bank'.

In case, there is delay in opening of Letter of Credit by Employer, then time of completion shall be extended accordingly. However, in case, there is delay in submission of PBG by the Contractor then the time of completion shall remain unchanged, provided LC has been opened within 30 (thirty) days of receipt of correct Performance Bank Guarantee and its confirmation from the bank.

**Article 6**      **Consultant**

- 6.1      \_\_\_\_\_ shall be the Consultant for this project. The consultant in relation to the Contract, shall have such functions as are delegated to him or as may be delegated to him by the Employer from time to time. Employer shall keep the Contractor informed of such delegation.

**Article 7**      **Subcontracting** (Reference GCC Clause 19)

- 7.1      This shall be as per GCC Clause 19.

---

**Article 8**      **Liquidated Damages** (Reference GCC Clause 27 & 29)**8.1**      **Liquidated Damages due to Delay in Completion of Facilities** (Reference GCC Sub-Clause 29.2)

If the Contractor fails to attain "Completion of the Facilities" within the Time for Completion or any extension thereof under Clause 42 (Extension of Time for Completion) of GCC due to reasons attributable to the Contractor, the Employer shall recover the amount of Liquidated Damages along with applicable GST, but not by way of penalty, by making deductions from the Contractor's account or by encashment of Contractor's Bank Guarantees (as per Sub-Clause 13.1.2 of GCC), at the rate of 0.5% of the Contract Price (excluding price of 2 years O&M spares\*) plus escalation, if any, paid or payable to the Contractor, excluding taxes and duties per complete week of delay up to a maximum of 5% of the Contract Price (excluding price of 2 years O&M spares\*) plus escalation if, paid or payable to the Contractor excluding taxes and duties, as specified in the Clause 29.2 of GCC.

In case, the Contractor is a Consortium, the Employer shall recover the amount of Liquidated Damages along with applicable GST, but not by way of penalty, by making deductions from the account of each member of Consortium, or as a last resort by encashment of their Bank Guarantees as per above clause, up to a maximum of 5% of the Contract Price (excluding price of 2 years O&M spares\*) of the respective Scope of Facilities plus escalations, if any, paid or payable to the Contractor, excluding taxes and duties. However, each member of Consortium, shall be liable for damages in the ratio of their respective Contract price (excluding price of 2 years O&M spares\*).

*(\* -to strike-out 'excluding price of 2 years O&M spares' if it is not part of Contract price)*

**8.2**      **Liquidated Damages for Non-fulfillment of Performance Guarantee Parameters of Facilities** (Reference GCC Clause 27)

If, for reasons attributable to the Contractor, the performance guarantee parameters specified in **Appendix-5** are not met either in whole or in part, the Contractor shall at its cost and expense make such changes, modifications and/ or additions to the Facilities or any part thereof as may be necessary to meet performance guarantees parameters. The Contractor shall notify the Employer upon completion of the necessary changes, modifications and/ or additions and the Contractor shall be allowed by the Employer to repeat the performance guarantee tests twice after first campaign of guarantee test and the Contractor must establish the performance guarantee parameters during second or third test.

In case the Contractor expresses its inability to achieve the performance guarantee parameters but attains above the minimum acceptance level of performance guarantee parameters, as specified in **Appendix-5**, either in whole or in part, the Employer shall recover the amount of Liquidated Damages along with applicable GST, but not by way of penalty, by making deductions from the Contractor's account or as a last resort by encashment of Contractor's Bank Guarantees, at the rates specified in the **Appendix-5** for respective items, subject to a maximum of 7.5% of the Contract Price (excluding price of 2 years O&M spares\*) plus escalations, if any, paid or payable to the Contractor excluding taxes and duties, in respect of the failure to demonstrate the Performance Guarantees in accordance with the provisions in **Appendix-5**.

In case, the Contractor is a Consortium, the Employer shall recover the amount of Liquidated Damages along with applicable GST, but not by way of penalty, by making deductions from the account of each member of Consortium, or as a last resort by encashment of their Bank Guarantees as per above clause, subject to a maximum of 7.5% of the Contract Price (excluding price of 2 years O&M spares\*) plus escalations, if any, paid or payable to the Contractor excluding taxes and duties of the respective scope of facilities. However, each member of Consortium shall be liable for damages in the ratio of the respective Contract price (excluding price of 2 years O&M spares\*).

In case, even after all possible repairs and replacements the Contractor fails to attain the minimum level of performance guarantee parameters in third test conducted, the Employer may at its option reject the Facilities and recover the entire cost paid to the Contractor or alternatively the Employer may proceed for commercial settlement with the Contractor for acceptance of the Facilities at the negotiated Price.

The Employer shall not reject the plant & equipment after commissioning and achievement of minimum acceptance level of PG parameters. After successful commissioning and achievement of the minimum acceptance level of PG parameters, the total liability of the Contractor on account of delay and demonstration of PG parameters will not be more than LD along with applicable GST.

*(\*to strike-out 'excluding price of 2 years O&M spares' if it is not part of Contract price)*

- 8.3 The Overall limit of Liquidated Damages with respect to Articles 8.1 & 8.2 shall be 10% of the Contract Price plus escalation, if any, excluding taxes and duties. However, individual ceiling for delay in completion and non-fulfilment of the PG parameters shall be 5% and 7.5% respectively.
- 8.4 Any recovery of Liquidated damages shall be effected from the amount payable to the Contractor against Performance Guarantee Test, balance Price escalation bills beyond schedule completion, Final Acceptance Certificate, Performance Bank Guarantee, or any other dues. Liquidated Damages will not be recovered from the running bills prior to above payments.
- 8.5 GST at applicable rates shall be charged on the Liquidated Damages as stated above and recovered from the Contractor, for which a tax invoice shall be issued by the Employer to the Contractor. Where the contract price is quoted in foreign currency, the amount of LD shall be converted into equivalent INR by applying the RBI reference rate on the date of invoice, and GST shall be charged on such equivalent value and recovered from the contractor along with the Liquidated Damages. A tax invoice in INR shall be issued to the Contractor.
- 8.6 **Liquidated Damages due to Delay in Supply of 2 years O&M Spares** (Reference GCC Sub-Clause 29.6)

If the Contractor fails to supply specific/ individual O&M spares within the contractual delivery schedule or any extension thereof (i.e. before Commissioning of the facilities), due to reasons attributable to the Contractor, the Employer shall recover the amount of Liquidated Damages along with applicable GST, but not by way of penalty, by making deductions from the Contractor's account, at the rate of 1% of the Price of specific/ individual O&M spare, payable to the Contractor, excluding taxes and duties per complete week of delay up to a maximum of 5% of the Price of specific/ individual O&M spare, payable to the Contractor excluding taxes and duties, as specified in the Clause 29.2 of GCC.

In case, the Contractor is a Consortium, the Employer shall recover the amount of Liquidated Damages along with applicable GST, but not by way of penalty, by making deductions from the account of each member of Consortium, up to a maximum of 5% of the Price of specific/individual O&M spare of the respective Scope of supply, payable to the Contractor, excluding taxes and duties.

Any recovery of Liquidated damages shall be effected from pro-rata basis amount (i.e. from Ninety percent (90%) of the Price of specific O&M spare) payable to the Contractor upon completion of supplies of O&M spares on pro-rata basis.

*(May be struck-off if not applicable)*

## **Article 9**      **Arbitration** (Reference GCC Clause 6)

- 9.1 [Relevant portions of Clause 6 of GCC to be incorporated].

**Article 10 Liability of Govt. of India**

10.1 It is expressly understood and agreed between the Contractor and the Employer that the Employer is entering into this Contract solely on its own behalf and not on behalf of any other person or entity. In particular, it is expressly understood and agreed that the Govt. of India is not a party to this Contract and has no liabilities, obligations or rights hereunder. It is expressly understood and agreed that the Employer is an independent legal entity with power and authority to enter into Contracts solely on its own behalf under the applicable laws of India and general principles of Contract Law. The Contractor expressly agrees, acknowledges and understands that the Employer is not an agent, representative or delegate of the Govt. of India. It is further understood and agreed that the Govt. of India is not and shall not be liable for any acts, omissions, commissions, breaches or other wrongs arising out of the Contract. Accordingly, the Contractor hereby, expressly waives, releases and foregoes any and all actions or claims, including cross claims, impleader claims or counter claims against the Govt. of India arising out of this Contract and covenants not to sue the Govt. of India as to any manner, claim, cause of action or thing whatsoever arising of or under this Contract.

**Article 11 Appendix**

11.1 The following Appendices shall be deemed to form an integral part of this Contract Agreement. Reference in the Contract to any Appendix shall mean the Appendices attached hereto, and the Contract shall be read and construed accordingly.

- 1 Price Schedule
- 2 Time Schedule
- 3 Terms of Payment
- 4 Price Adjustment due to Variation in Price Indices
- 5 Performance Guarantees
- 6 List of Approved Vendors for Indian Component

**Article 12.**

No modifications of this Contract including Appendices hereto, shall be valid unless the same is agreed to in writing by the parties and specifically mentioned as an amendment to the Contract.

IN WITNESS WHEREOF the Employer and the Contractor have caused this Agreement to be duly executed by their duly authorised representatives the day and year first above written.

**Signed by for and on behalf of the Contractor**

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Designation]

In the presence of \_\_\_\_\_

1) \_\_\_\_\_

[Signature]

\_\_\_\_\_  
[Designation]

2) \_\_\_\_\_

[Signature]

\_\_\_\_\_  
[Designation]

**Signed by for and on behalf of the Employer**

\_\_\_\_\_  
[Signature]

\_\_\_\_\_  
[Designation]

In the presence of \_\_\_\_\_

1) \_\_\_\_\_

[Signature]

\_\_\_\_\_  
[Designation]

2) \_\_\_\_\_

[Signature]

\_\_\_\_\_  
[Designation]

## PRICE SCHEDULE

- |    |     |   |
|----|-----|---|
| 1. | 1.1 | The Contract Price for the entire Scope of Facilities including all the contractual obligations of the Contractor together with its Sub-Contractor / Vendors, is indicated in the <b>Article-2</b> of the Contract.   |
| 2. | 2.1 | The break-up of the Contract Price is indicated in the Summary Price Schedule and detailed break-up of Summary Prices is given in the following Tables, hereafter. (However, in case the Contractor is a Consortium of two or more parties, the break-up of the Contract Price is to be indicated separately for each member of Consortium, in the Tables given hereafter). |

**Contract Price**

**Contract Price Break-up**

### Table Descriptions

#### 1 Summary Price Schedule

**1A** Summary Price Schedule - For Prices Quoted in Foreign Currency

**1B** Summary Price Schedule - For Prices Quoted in INR

**1.1** Price Schedule For Supply Of Plant & Equipment And Technological Structures (Imported Supplies quoted in Foreign Currency)

**1.2** Price Schedule For Supply Of Plant & Equipment And Technological Structures (Indigenous Supplies)

**1.3** Price Schedule For Supply Of Fabricated Building Steel Structures Including Sheeting & Glazing

**1.4A** Price Schedule For Civil Engineering Works Including All Supplies - Related To Equipment Foundation

**1.4B** Price Schedule For Civil Engineering Works Including All Supplies - Others

**1.5** Storage, Handling, Erection of Plant & Equipment, Building Steel Structures & Refractories including Commissioning and PG Tests of the Facilities

**1.6** Price Schedule For Supply of Imported Refractories

**1.7** Price Schedule For Supply of Indigenous Refractories

**1.8** Price schedule for supply of 2 year O&M spares (GCC clause 7.4.3) - For cases, if O&M Spares is part of Contract Price.

**1.9** Format For Reconciliation Of Taxes Against Which Input Tax Credit Is Available

**2** Value of "Po" for Calculation of Price Adjustment due to Variation in Price Indices (Appendix-4)

**3** Price schedule for 2 year O&M spares (GCC clause 7.4.3)

- 2.2 The "Po" shall be the prices as on Base Date excluding all duties, taxes, and any other levies. The values of Po for the purpose of Price Adjustment clause stipulated in the **Sub-Clause 2.1 to 2.13** of the **Appendix 4**, are to be given in **Table-2** hereof.

### Summary Price Schedule

Name of the Plant/ Unit: \_\_\_\_\_

Name of the Package &amp; No: \_\_\_\_\_

Name of the Facility: \_\_\_\_\_

Name of the Bidders: \_\_\_\_\_

Bidder's Ref No: \_\_\_\_\_

SUMMARY PRICE SCHEDULE						
Sl. No	Description	Schedule	Price in foreign currency	Basic Price (INR)	GST (INR)	Total (INR)
1	Design & Engineering					
2	Supply of Plant & Equipment incl. Technological Structures	1.2				
3	Supply of Building Steel Structures including Sheeting and Glazing	1.3				
4	Supply of Refractories	1.6, 1.7				
5	Civil Engineering work including all related supplies - for equipment foundation	1.4A				
6	Civil Engineering work including all related supplies - others	1.4B				
7	Storage, Handling, Erection of Plant & Equipments & Refractories including Commissioning and PG Tests of the Facilities	1.5				
8	Storage, Handling and Erection of Building Steel Structures					
9	<b>Foreign</b> Supervision charges in India during erection, startup, commissioning and PG test for _____ mandays					
10	Training charges: For ..... Foreign mandays For ..... Indian mandays					
11	Customs, Port clearance (excluding duties & cess to be paid by Employer) and Inland transportation (for all items quoted in foreign currency)					
12	Comprehensive/ Transit, Storage cum erection insurance					
13 **	Supply of 2 year O&M spares	1.8				
<b>14 (Sum of 1-13)</b>	<b>Total Contract Price</b>					
15	Input Tax Credit for GST	1.9				
<b>16 (14-15)</b>	<b>Contract Price (net of Input Tax Credit)</b>					

**Contract price (net of Input Tax Credit) :**
**Indian Currency (In words)**
**Foreign Currency (In words)**
*(\*\* - to strike-out if O&M Spares is not part of Contract Price)*

... % of Total Bid Price has been quoted towards Erection & Site activities (i.e serial numbers 7 & 8 of Summary Price Schedule)-(Strike out if not applicable).

Signature of Authorised signatory  
(Official Seal of Company)



**Notes:**

1. All Indian supplies & services are inclusive of all taxes & duties
- 2. The value of Input Tax Credit (SI No 15) should match with Schedule 1.9**
- 3. All imported supplies shall be on CIF basis**
4. In case of consortium, each member will indicate the prices for his scope of work. For this purpose, extra columns may be added in the above price format for each consortium member.
5. In case of incorrect GST declaration by L-1 Bidder, the basic value of the component(s) shall be adjusted without any increase in the Contract Price (net of Input Tax Credit).
6. In case of arithmetic error in totaling, corrected arithmetic total will be considered.
7. In case of a discrepancy between words and figures and / or arithmetic error in totaling, corrected arithmetic total will be considered.
8. If any discrepancy is found in furnishing any Remarks/Footnotes/Comments between Un-priced bids and Priced bids, Remarks/Footnotes/Comments furnished in Un-priced bids will prevail.
9. In case of discrepancy between summary price table and individual tables, the prices mentioned in summary price table shall prevail.



**Table No. 1A**
**Summary Price Schedule - For Prices Quoted in Foreign Currency**

Name of the Plant/ Unit: \_\_\_\_\_

Name of the Package &amp; No: \_\_\_\_\_

Name of the Facility: \_\_\_\_\_

Name of the Bidders: \_\_\_\_\_ Bidder's Ref No: \_\_\_\_\_

<b>SUMMARY PRICE SCHEDULE</b>			
<b>Sl. No</b>	<b>Description</b>	<b>Schedule</b>	<b>Price in (Currency)</b>
1	Design & Engineering		
2	Supply of Plant & Equipment incl. Technological Structures on CIF basis	1.1	
3	Supply of Building Steel Structures including Sheeting and Glazing on CIF basis		
4	Supply of Refractories on CIF basis	1.6	
5	<b>Foreign</b> Supervision charges in India during erection, startup, commissioning and PG test for ____ mandays		
6	<b>Foreign</b> Training charges – For..... mandays		
7**	Supply of 2 year O&M spares	1.8	
<b>Total: 1-7</b>	<b>Total Contract Price (Foreign Portion)</b>		

**Contract price :**
**Foreign Currency (In words)**
*(\*\*to strike-out if O&M Spares is not part of Contract Price)*

 Signature of Authorised signatory  
 (Official Seal of Company)

**Notes:**

- All imported supplies shall be quoted on CIF basis.**
- In case of arithmetic error in totaling, corrected arithmetic total will be considered.
- In case of a discrepancy between words and figures and / or arithmetic error in totaling, corrected arithmetic total will be considered.
- If any discrepancy is found in furnishing any Remarks/Footnotes/Comments between Un-priced bids and Priced bids, Remarks/Footnotes/Comments furnished in Un-priced bids will prevail.

**Table No. 1B**
**Summary Price Schedule - For Prices Quoted in INR**

Name of the Plant/ Unit: \_\_\_\_\_

Name of the Package &amp; No: \_\_\_\_\_

Name of the Facility: \_\_\_\_\_

Name of the Bidders: \_\_\_\_\_

Bidder's Ref No: \_\_\_\_\_

SUMMARY PRICE SCHEDULE							
SI. No	Description	Schedule	Basic Price (INR)	CGST	SGST	IGST	Total (INR)
1	Design & Engineering						
2	Supply of Plant & Equipment incl. Technological Structures	1.2					
3	Supply of Building Steel Structures including Sheeting and Glazing	1.3					
4	Supply of Refractories	1.7					
5	Civil Engineering work including all related supplies - for equipment foundation	1.4A					
6	Civil Engineering work including all related supplies - others	1.4B					
7	Storage, Handling, Erection of Plant & Equipments & Refractories including Commissioning and PG Tests of the Facilities	1.5					
8	Storage, Handling and Erection of Building Steel Structures						
9	Training charges: For ..... Indian mandays						
10	Customs, Port clearance (excluding duties & cess to be paid by Employer) and Inland transportation (for all items quoted in foreign currency)						
11	Comprehensive/ Transit, Storage cum erection insurance						
12**	Supply of 2 year O&M spares	1.8					
<b>13</b> (Sum of 1-12)	<b>Total Contract Price (Indian Portion)</b>						
14	Input Tax Credit for GST	1.9					

15(13-14)	<b>Contract Price (net of Input Tax Credit)</b>	
-----------	---	--

**Contract price (net of Input Tax Credit) :**  
**Indian Currency (In words)**

*(\*\*to strike-out if O&M Spares is not part of Contract Price)*

Signature of Authorised signatory  
(Official Seal of Company)

**Notes:**

- 1. The value of Input Tax Credit (SI No 14) should match with Schedule 1.9**
2. In case of arithmetic error in totaling, corrected arithmetic total will be considered.
3. In case of a discrepancy between words and figures and / or arithmetic error in totaling, corrected arithmetic total will be considered.
4. If any discrepancy is found in furnishing any Remarks/Footnotes/Comments between Un-priced bids and Priced bids, Remarks/Footnotes/Comments furnished in Un-priced bids will prevail.

**Table No. 1.1**  
(Sheet No \_\_\_\_ of \_\_\_\_)

**PRICE SCHEDULE FOR SUPPLY OF PLANT & EQUIPMENT AND TECHNOLOGICAL STRUCTURES**  
(Imported Supplies quoted in Foreign Currency)

Name of the Facility: \_\_\_\_\_

SI. No	Description	Weight (T)	UNIT	Qty	CIF price (Currency ____)
1	Mechanical Equipment (including technological structures)				
a					
b					
2	Electrical Equipment/ systems				
a					
b					
3	Instrumentation, Automation, Telecommunication Systems				
4	Others incl. Commissioning Spares, Special Tools & Tackles, Initial Fills etc.				
a					
b					
	<b>Total</b>				
	<b>Total price (in Words)</b>				
Signature and Seal					



सेल SAIL

Table No. 1.2

(Sheet No \_\_\_\_ of \_\_\_\_)

**PRICE SCHEDULE FOR SUPPLY OF PLANT & EQUIPMENT AND TECHNOLOGICAL STRUCTURES**  
(Indigenous Supplies)

Name of the Facility: \_\_\_\_\_

Sl No	Description	Weight (T)	Unit	Qty	Basic Price (in INR)	CGST		SGST		IGST		Total	Input Tax Credit
						Rate (%)	Amount	Rate (%)	Amount	Rate (%)	Amount		
1	Mechanical Equipment including Technological Structures												
2	Electrical Equipment												
3	Instrumentation, Automation, Cabling, etc												
4	Others including Commissioning Spares, Special Tools & Tackles, Initial Fills, etc												
	<b>Sub Total</b>												
5	Inland Freight												
	<b>Total</b>												
	<b>Total Price in Words</b>												
Signature and Seal													



सेल SAIL

Table No. 1.3

(Sheet No \_\_\_\_\_ of \_\_\_\_\_)

**PRICE SCHEDULE FOR SUPPLY OF FABRICATED BUILDING STEEL STRUCTURES INCLUDING SHEETING & GLAZING**

Name of the Facility: \_\_\_\_\_

Sl No	Description	Unit	Qty	Basic Price (in INR)	CGST		SGST		IGST		Total	Input Tax Credit
					Rate (%)	Amount	Rate (%)	Amount	Rate (%)	Amount		
1	Supply of Building Steel Structures											
	a) Fabricated at Employer's site	T										-
	b) Fabricated at Contractor's site	T										-
	<b>Sub Total</b>											-
2	Sheeting Materials											
	a) CGI	m <sup>2</sup>										-
	b) AC	m <sup>2</sup>										-
	c) Glazing	m <sup>2</sup>										-
	d) Others	m <sup>2</sup>										-
	<b>Sub Total</b>											-
	<b>Total</b>											-
	<b>Total Price in Words</b>											
Signature and Seal												

**Table No. 1.4 A**

(Sheet No \_\_\_\_\_ of \_\_\_\_\_)

**PRICE SCHEDULE FOR CIVIL ENGINEERING WORKS INCLUDING ALL SUPPLIES - RELATED TO EQUIPMENT FOUNDATION**

Name of the Facility: \_\_\_\_\_

Sl No	Description	Basic Price (in INR)	CGST		SGST		IGST		Total	Input Tax Credit
			Rate (%)	Amount	Rate (%)	Amount	Rate (%)	Amount		
1	Dismantling Work (Plant & Equipment, Buildings, Structures, Foundations, etc)									
2	Civil Work									
	<b>Total</b>									
	<b>Total Price in Words</b>									
Signature and Seal										

**Table No. 1.4 B**

(Sheet No \_\_\_\_\_ of \_\_\_\_\_)

**PRICE SCHEDULE FOR CIVIL ENGINEERING WORKS INCLUDING ALL SUPPLIES - OTHERS**

Name of the Facility: \_\_\_\_\_

Sl No	Description	Basic Price (in INR)	CGST		SGST		IGST		Total	Input Tax Credit
			Rate (%)	Amount	Rate (%)	Amount	Rate (%)	Amount		
1	Dismantling Work (Plant & Equipment, Buildings, Structures, Foundations, etc)									-
2	Civil Work									-
	<b>Total</b>									
	<b>Total Price in Words</b>									
Signature and Seal										

**Table No. 1.5**  
(Sheet No \_\_\_\_\_ of \_\_\_\_\_)

**Price Schedule for Storage, Handling, Erection of Plant & Equipment, Building Steel Structures & Refractories including Commissioning and PG Tests of the Facilities**

Name of the Facility: \_\_\_\_\_

SI No	Description	Basic Price (in INR)	CGST		SGST		IGST		Total	Input Tax Credit
			Rate (%)	Amount	Rate (%)	Amount	Rate (%)	Amount		
<b>A</b>	<b>Plant &amp; Equipment</b>									
(i)	Mechanical Equipment									
(ii)	Technological structures									
(iii)	Electrical Equipment/ systems									
(iv)	Instrumentation, Automation, Cabling, etc									
	Sub Total									
B	Building Steel Structures									
C	Refractories									
D	Any Other									
	<b>Total (A to D)</b>									
	<b>Total Price in Words</b>									
Signature and Seal										





**PRICE SCHEDULE FOR SUPPLY OF IMPORTED REFRACTORIES**

Name of the Facility: \_\_\_\_\_

S.No.	Item	Weight (t)	UNIT	Qty	CIF price (Currency ____)
	<b>Supply of Imported Refractories</b>				
1					
2					
3					
4					
5					
	<b>Total</b>				
	<b>Total price (in Words)</b>				
Signature and Seal					



सेल SAIL

**Table No. 1.7**  
(Sheet no. \_\_\_\_ of \_\_\_\_)

**PRICE SCHEDULE FOR SUPPLY OF INDIGENOUS REFRACTORIES**

Name of the facilities: \_\_\_\_\_

(In Rupees)

Sl. No	Description	Weight (t)	UNIT	Qty	Basic Price (Rupees)	CGST		SGST		IGST		Total	Input Tax Credit
						Rate (%)	Amount	Rate (%)	Amount	Rate (%)	Amount		
<b>Supply of Indigenous Refractories</b>													
1													
a													
b													
2													
a													
b													
3													
a													
b													
4													
5													
	Total												
<b>Total price in Words</b>													
Signature and Seal													

**Table No. 1.8**

(Sheet No \_\_\_\_\_ of \_\_\_\_\_)

**(ITEM-WISE) PRICE SCHEDULE FOR SUPPLY OF 2 YEARS O&M SPARES**

S.No.	Item	Quantity		CIF Price (for imported spares)	Price (In Indian Rupees) (for indigenous spares)				
		Nos.	Tonne	Foreign Currency	Basic	CGST	SGST	IGST	Total
A	Supply of Imported 2 years O&M Spares				-	-	-	--	-
1					-	-	-	--	-
2					-	-	-	--	-
3					-	-	-	--	-
4					-	-	-	--	-
5					-	-	-	--	-
6					-	-	-	--	-
	<b>Total (A)</b>								
B. I	Supply of Indigenous 2 years O&M Spares								
1									
2									
3									
4									
5									
6									
	<b>Total (B. I)</b>								
B. II	Inland Transportation								
	<b>Total (B = B I + B II)</b>								

Signature and Seal

Note - For cases, if O&amp;M Spares is part of Contract Price

**FORMAT FOR RECONCILIATION OF TAXES AGAINST WHICH INPUT TAX CREDIT IS AVAILABLE**

Base Date : dd/mm/yyyy

Rate of Taxes on Base date		
ITEM	Unit	Value
IGST	%	
CGST	%	
SGST	%	

Item Head	Ref No of Price Schedule	Basic Price	Taxes Quoted			Total	Input Tax Credit
			CGST	SGST	IGST		
Design & Engineering	Table 1B						
Supply of Plant & Equipment	1.2						
Supply of Building Structure	1.3						-
Supply of Refractory	Table 1.7						
Civil Works - Equipment Foundation	1.4 A						
Civil Works - Others	1.4 B						-
Customs & Port clearance	Table 1B						
Inland Transportation of imported item							
Storage cum Erection Insurance							
Erection of Plant & Equipment	1.5						
Erection of Building Structure							-
Erection of Refractory							
Supply of 2 years O&M spares **	1.8						
<b>Total</b>							
<b>Input Tax Credit</b>							

(\*\*to strike-out if O&M Spares is not part of Contract Price)

**VALUE OF "Po" FOR CALCULATION OF PRICE ADJUSTMENT DUE TO VARIATION IN PRICE INDICES IN ACCORDANCE TO PROVISIONS OF APPENDIX- 4**

S.No.	Description	Value of "Po"
1	<b>Supply of Indigenous Mechanical Plant &amp; Equipment including Technological Structure</b> (Reference Sub-Clause No. 2.3 of Appendix 4)	
2	<b>Supply of Indigenous Electrical Plant &amp; Equipment including Instrumentation &amp; Telecommunication</b> (Reference Sub-Clause No. 2.4 of Appendix 4)	
3	<b>Erection of Mechanical &amp; Electrical Plant &amp; Equipment</b> (Reference Sub-Clause No. 2.5 of Appendix 4)	
4	<b>Supply of Building Steel Structures and Sheeting</b> <b>a) When steel is issued by Employer on cost recovery basis</b> (Reference Sub-Clause No. 2.6.1 of Appendix 4) <b>b) When steel is procured by the Contractor</b> (Reference Sub-Clause No. 2.6.2 of Appendix 4)	
5	<b>Erection of Building Steel Structures including Sheeting</b> (Reference Sub-Clause No. 2.7 of Appendix 4)	
6	<b>Civil Engineering works including all necessary supplies</b> (Reference Sub-Clause No. 2.8 of Appendix 4)	
7	<b>Erection of Refractories</b> (Reference Sub-Clause No. 2.9 of Appendix 4)	
8	<b>Supply of Refractories</b> (Reference Sub-Clause No. 2.10 of Appendix 4)	
9**	<b>Supply of 2 years Operation &amp; Maintenance spares (for Indigenous Mechanical Plant &amp; Equipment including Technological Structure)</b> (Reference Sub-Clause No.2.12 of Appendix 4)	
10**	<b>Supply of 2 years Operation &amp; Maintenance spares( for Indigenous Electrical Plant &amp; Equipment including Automation, Instrumentation &amp; Telecommunication)</b> (Reference Sub-Clause No.2.13 of Appendix 4)	

(\*\*to strike-out if O&M Spares is not part of Contract Price)

Signature and Seal

**(ITEM-WISE) PRICE SCHEDULE FOR SUPPLY OF 2 YEARS O&M SPARES**

S.No.	Item	Quantity		FOB Price (for imported spares)	Price (In Indian Rupees) (for indigenous spares)				
		Nos.	Tonne	Foreign Currency	Basic	CGST	SGST	IGST	Total
A	<b>Supply of Imported 2 years O&amp;M Spares</b>				-	-	-	--	-
1					-	-	-	--	-
2					-	-	-	--	-
3					-	-	-	--	-
4					-	-	-	--	-
5					-	-	-	--	-
6					-	-	-	--	-
	<b>Total (A)</b>								
B. I	<b>Supply of Indigenous 2 years O&amp;M Spares</b>								
1									
2									
3									
4									
5									
6									
	<b>Total (B. I)</b>								
B. II	<b>Inland Transportation</b>								
	<b>Total (B = B I + B II)</b>								

**Note:**

1. Refer ITB clause 10.4(d) & GCC sub clause 7.4.3, the price schedule is to be submitted 6 months prior to scheduled commissioning.
2. The prices shall remain firm for a period of 12 months.

Signature and Seal

**TIME SCHEDULE**
**1.0 Time Schedule for Completion of the Facilities**

1.1 The Facilities will be commissioned within \_\_\_\_ months from the effective date of the Contract as per **Article-5** of the Contract Agreement. The overall time schedule for completion of the Facilities is given below:

S. No.	Items of Work	Commencement (No. of Month from Effective Date)	Completion (No. of Month from Effective Date)
1.	Basic Engineering		
2.	Detailed Design Engineering		
3.	Civil Work a) Related to equipment foundation b) Others		
4.	Supply / Delivery of:		
	i) Building Steel Structures & Sheeting		
	ii) Mechanical Plant & Equipment including Technological Structures		
	a) Imported		
	b) Indigenous		
	iii) Electrical Plant & Equipment:		
	a) Imported		
	b) Indigenous		
	iv) Refractories:		
	a) Imported		
	b) Indigenous		
5.	Erection of Building Steel Structures & Sheeting:		
6.	Erection:		
	i) Mechanical Plant & Equipment		
	ii) Electrical Plant & Equipment		
7.	Erection of Refractories		
8.	Preliminary Acceptance		
9.	Commissioning		
10. **	Supply/ Delivery of 2 years Operation & Maintenance spare		

(\*\*to strike-out if O&M Spares is not part of Contract Price)

**2.0 Time Schedule for Feed back Data, Drawings and Documents**

2.1 Within \_\_\_\_ weeks from the Effective Date of Contract, the Contractor shall submit to the Engineer/ Consultant preliminary list of all drawings and documents by title using the approved numbering system and indicating the schedule of submission of

drawings in conformity with the time schedule given in **Clause 2.2** and **2.3** hereof. This list shall be updated and submitted by the Contractor at the end of every quarter of the year.

## 2.2 Drawing / Documents for Approval

2.2.1 The Contractor shall submit the various drawings and documents to the Engineer / Consultant for approval, as per the following schedule. (No. of copies as mentioned in Technical Specifications).

S. No.	Description	Time of Submission in weeks from the Effective Date of Contract	
		Imported	Indigenous
<b>A</b>	<b>Basic Engineering:</b>		
1.	Name Plate and Numbering System		
2.	Inspection procedures		
3.	Site plan / layout drawing showing battery limits and co-ordinated plans of all units and facilities including requirements of utilities and other parameters at battery limits (in 1:500 scale).		
4.	Process Engineering Assumption / Basic Data		
5.	Process flow sheets and P&I Diagram for equipment and services		
6.	Material balance sheet		
7.	Utilities / energy balance sheets and heat load calculations for air-conditioning, ventilation and cooling water systems, Design calculations for stack.		
8.	General arrangement & shop layout drawings including cross-sections for shops / systems / services including equipment disposition and facilities.		
9.	GA drawings and design criteria for steel structures		
10.	Civil Engineering & Structural design criteria		
11.	Design criteria for cable selection, number of feeders, motor ratings, lighting, earthing, etc. and electrical consumer arrangement plans		
12.	Single line diagrams, block diagrams, GA and layout drawings for electricals.		



S. No.	Description	Time of Submission in weeks from the Effective Date of Contract	
		Imported	Indigenous
13.	Process control, Automation and Instrumentation and control schemes and sequence logic diagrams, List of Instruments and Instruments data sheets, Panels and desk front view diagrams, Control room layout drawings		
14.	Design criteria, general arrangement and layout drawings for pipework and ductwork.		
15.	Equipment list and motor list (for information).		
<b>B</b>	<b>Design and Engineering:</b>		
1.	GA & Sectional drawings for foundation of buildings and equipment including tunnels, trenches, basements, etc.		
2.	Outline architectural drawings of all buildings including special features and finishes.		
3.	Layout and sections of roads, railway tracks, drainage & sewerage (with invert levels).		
4.	Structural design drawings (supported by design calculations)		
5.	Equipment General arrangement & major assembly and sub-assembly drawings (including equipment for various services)		
6.	General arrangement of pulpit, control desks, etc.		
7.	Colour schemes		

2.2.2 After approval by the Employer / Consultant, the Contractor shall submit approved drawings and documents, to the Employer.

2.2.3 Any other drawings which are required, needs to be included. Further, the drawings which are not required are to be deleted.

### 2.3 Drawings / Documents for Information / Review

2.3.1 The Contractor shall submit to the Engineer / Consultant for information / review of the drawings and documents as per the Schedule given below: (No. of copies as mentioned in Technical Specifications).

S. No.	Description	Time of Submission in weeks from the Effective Date of Contract	
		Imported	Indigenous
1.	Soil Investigation Report		
2.	Preliminary foundation outline drawings		
3.	Certified foundation drawing including load data		
4.	Excavation outline drawings		
5.	Civil working drawing including bar bending schedules		
6.	Locations, schedules, fixing details, details, loadings etc. for foundation / anchor bolts, inserts & embedments		
7.	Design calculations for all civil and structural work.		
8.	Design calculations for all electrical work		
9.	Design calculations for all pipework and ductwork		
10.	Structural fabrication drawings with bill of materials		
11.	Performance data, characteristic including duty points		
12.	Assignment from Contractor for number of feeders to be provided by the Employer		
13.	List of electro-magnetic valves, limit switches etc.		
14.	Control description and schematic including PLC input / output chart.		
15.	Cable tray arrangement, cable and instrument pipe schedule and routings		
16.	Lighting earthing and lightning protection drawings.		
17.	Terminal plans and interconnection diagrams for electrical works		
18.	Conduit drawings and cut out details		

S. No.	Description	Time of Submission in weeks from the Effective Date of Contract	
		Imported	Indigenous
19.	Loop schemes, power supply and distribution schemes and panels and desk internal wiring diagrams external connection including terminal wiring diagrams for power control and instrumentation cables		
20.	Detailed drawings for pipe & duct work		
21.	Detailed drawings for under ground and overground services and utilities (including water system).		
22.	Drawings for approval of Statutory Authorities		
23.	Instructions for storage & reconsevation including those for electrical, instrumentation and communication items.		
24.	Erection drawings, erection specifications and Erection Instructions.		
25.	Refractory lining work drawings		
26.	Drawings for various sizes and shapes of refractories		
27.	Integrated Operation / safety and Maintenance Manuals material specification		
28.	Ordering Specifications for Operation & Maintenance Spares		
29.	Detailed Assignment Schedule for Deputation of Overseas Experts / Specialists as per GCC Clause 7.9 - For Employer's approval		
30.	Recommended Man-power Requirement for Operation & Maintenance of the Facilities as per GCC Clause 18.5		
31.	Schedule for Training of Employer's as per GCC Clause 18.6- For Employer's approval		

2.3.2 After "no comment" clearance by the Engineer / Consultant, the Contractor shall submit the final drawings and documents, to the Employer.

2.3.3 Any other drawing which are required, needs to be included. Further the drawings which are not required to be deleted.

## 2.4 As-Built Drawings and Documents

2.4.1 The Contractor shall submit mutually agreed As-built drawings & documents **after Commissioning Test, but before release of payment for Commissioning Certificate** as per **Clause 25** of GCC. However, in case any further changes are done in the Facilities during PG test which shall necessitate changes in already submitted As built drawings & documents, such changed As built drawings & documents along with balance As built drawings and documents shall be submitted by the Contractor after issue of PG test certificate, as per the Schedule given below:(No. of copies as mentioned in Technical Specifications)

S. No.	Description	Time of Submission in weeks from the Effective Date of Contract	
		Imported	Indigenous
1.	General arrangement, assembly and sub-assembly drawings		
2.	Performance data		
3.	Test charts and inspection certificates in bound volumes		
4.	All design calculations with respective approved design criteria in bound volumes		
5.	Flow diagrams and material balance sheets		
6.	Electrical & instrumentation drawings		
7.	Civil working drawings		
8.	Steel structures drawings		
9.	Utilities and services drawings		
10.	Refractories work drawings		
11.	Operation and safety manuals		
12.	Maintenance manuals		
13.	List of spares (Operation, Maintenance)		
14.	Drawings & bill of materials for Operation & Maintenance Spares		
15.	Ordering Specifications including catalogues & details for Operation & Maintenance Spares		
16.	Drawings / ordering specifications for operating consumables / supplies		
17.	One set of all documents as listed above, on appropriate and protected media		

2.4.2 Any other drawings which are required, needs to be included. Further the drawings which are not required to be deleted.

2.5 Equipment drawings and Erection Instructions drawings for the Plant and Equipment shall be supplied by the Contractor at least one month before the shipment / despatch of the Plant & Equipment.

## TERMS OF PAYMENT

### 1. General

- 1.1 In accordance with the provisions of **Clause 12** of GCC (Terms of Payment), the Employer shall pay the Contractor for the Scope of Facilities detailed under **Clause 7** of GCC & Technical Specifications, on the basis of the price break-up given in the Price Schedule (**Appendix-1**) and Billing Schedule as per **Sub-Clause 11.7.1** of GCC.
- 1.2 The payments to be made in the Foreign currencies to the Contractor shall be made through Irrevocable Letter of Credit to be established by the Employer. The Letter of Credit shall be established for value covering 100% of the Price payable in foreign currencies.
- 1.2.1 The Letter of Credit (LC) will be opened within 30 days from the date of receipt of correct Performance Bank Guarantee and its confirmation from the bank.
- For Consortium cases, correct Performance Bank Guarantee and its confirmation from the bank from all the consortium members should be available before LC can be opened.
- The validity of Letter of Credit will be agreed upon between the Contractor and the Employer.
- 1.2.2 If extension of validity of Letter of Credit becomes necessary, all Bank charges in India for such extension of validity of Letter of Credit, shall be borne by the Employer.
- 1.2.3 The Employer shall establish Letter of Credit and advise through the Overseas Branch to be specified by the Contractor. Should the Contractor need confirmation of Letter of Credit, charges for the same are to be borne by the Contractor. All Bank charges outside India, related to Letter of Credit, shall be borne by the Contractor. The Employer shall bear all the Bank charges in India, in establishing Letter of Credit in favour of Contractor only.
- The Contractor shall intimate the name of Beneficiary's Bank while submitting the request for opening of LC to the Employer.
- 1.3 The Contract is a Divisible Contract. The Contractor shall submit complete and correct separate invoices and documents for supplies and services both for payments to be made in foreign currencies and Indian currency.
- 1.4 The Contractor shall reimburse the Employer all costs, charges, damages or expenses which the Employer may have paid or incurred, if and to the extent to which the Contractor is liable under this Contract to pay upon written request of the Engineer, failing which such costs, charges, damages or expenses shall be deducted by the Employer from any money due or becoming due by the Employer to the Contractor under this Contract or any other Contract(s) failing which such amounts shall be considered as debt from the Contractor to the Employer and shall be recoverable accordingly including by the way of encashment of Securities/ Bank Guarantee(s).
- 1.5 INCOME TAX
- Any Indian Income Tax which Employer may be required to deduct by law or statute, shall be deducted at the source under relevant Chapter of Income Tax Act and the same shall be paid to Income Tax Authorities on account of the Contractor. Employer shall provide the Contractor a certificate for such deduction of Tax. The Contractor shall indicate their Permanent Account Number with the relevant Income Tax Authority to

Employer. Contractors shall maintain books of account and shall get the account audited as per relevant Section of Income Tax Act.

If the Contractor is exempted from the deduction /recovery of Income Tax, no such recovery shall be made by Employer. Contractor shall furnish valid exemption Certificate issued by Income Tax Department to this effect

- 1.6 Other than payment through LC, the payment to the Contractor shall be released within thirty (30) days from the date of receipt of the complete and correct invoices & relevant documents along with price adjustment statement.
- 1.7 Fixed / Permanent Establishment
- 1.7.1 Foreign bidders having a Fixed Establishment in India, within the meaning of Sec 2(50) of the CGST Act, shall obtain GST Registration in the applicable State. A GST invoice shall be raised in INR along with Service invoices raised in foreign currency, by converting the value of services in foreign currency into INR at the TT Selling rate on the date of invoice. The contractor will ensure that proper GST returns are submitted to the tax authorities so as to enable the Employer to take input tax credit.
- 1.7.2 Foreign bidders who do not have a Permanent Establishment in India shall submit Tax Residency Certificate issued by the country of residence, Form 10-F, along with a declaration that the contractor does not have a Permanent Establishment in India.

## 2. Terms of Payment

### 2.1 Terms of Payment other than training (This is standard payment term)

- 2.1.1 Five per cent (5%) of the Basic price of each activity specified in the **Appendix-1** excluding training charges **and charges for 2 years O&M spares\*\*** shall be released on submission & certification of basic engineering drawings & the basic engineering data (to be finalized during technical discussion); submission & approval of general layout drawings of the Shop and submission of L-2 Network (GCC sub Clause -18.1.4) for each unit of the facilities. Such payment shall be treated as advance and will be adjusted from progressive payments.

*(\*\*-to strike-out if O&M Spares is not part of Contract Price)*

- 2.1.2 Two and a half per cent (2.5%) of the Basic price of each activity specified in Appendix-1 excluding training charges **and charges for 2 years O&M spares\*\*** shall be released on placement of orders, for identified equipments/items (to be finalized during technical discussion) and submission of un-priced of the purchase orders of the same by the Contractor. Such payment shall be treated as advance and will be adjusted from progressive payments.

*(\*\*-to strike-out if O&M Spares is not part of Contract Price)*

- 2.1.3 Hundred percent of the Basic Price specified in the **Appendix-1**, excluding training charges **and charges for 2 years O&M spares\*\***, along with applicable GST shall be released towards progress payments of each activity, after adjusting 7.5% already paid (2.1.1 and 2.1.2) and keeping 20.0% of the Basic Price as Retention amount on submission of documentary evidence along with release of progress payment as per **Sub-Clause 2.3.**

*(\*\*-to strike-out if O&M Spares is not part of Contract Price)*

2.1.4 Two and a half percent (2.5%) of the Basic Price (excluding training charges **and charges for 2 years O&M spares\*\***) of each activity specified in the **Appendix-1**, shall be released from retention amount upon issue of the Preliminary Acceptance Certificate.

*(\*\*-to strike-out if O&M Spares is not part of Contract Price)*

2.1.5 Five percent (5%) of the Basic Price (excluding training charges **and charges for 2 years O&M spares\*\***) of each activity specified in the **Appendix-1**, shall be released from retention amount upon issue of the Commissioning Certificate

*(\*\*-to strike-out if O&M Spares is not part of Contract Price)*

2.1.6 Seven and a half percent (7.5%) of the Basic Price (excluding training charges **and charges for 2 years O&M spares\*\***) of each activity specified in the **Appendix-1**, shall be released from retention amount after establishment of Performance Guarantee parameters and issue of Performance Guarantee Certificate.

*(\*\*-to strike-out if O&M Spares is not part of Contract Price)*

2.1.7 Five percent (5%) of the Basic Price (excluding training charges **and charges for 2 years O&M spares\*\***) of each activity specified in the **Appendix-1**, shall be released from retention amount upon issue of the Final Acceptance Certificate.

*(\*\*-to strike-out if O&M Spares is not part of Contract Price)*

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

## 2.2 Terms of Payment for Training Charges

2.2.1 Hundred percent (100%) of the Basic Price specified in the **Appendix-1**, with applicable GST shall be released on pro-rata basis, after retaining 5% of the Basic Price as retention amount upon completion of each quarter on actual training man-days utilized during the quarter.

2.2.2 Five percent (5%) of the Basic Price specified in the **Appendix-1**, shall be released upon issue of the Final Acceptance Certificate.

## 2.3 Progress Payments

### 2.3.1 Design & Engineering

2.3.1.1 Hundred percent (100%) of the Basic Price specified in the **Appendix-1**, along with **applicable GST**, shall be released on pro-rata basis and as per progress of submission & approval of design & engineering in accordance with the approved Billing Schedule, after adjusting 7.5% advance paid (2.1.1 and 2.1.2) and keeping 20.0% of the Basic Price as Retention amount.

### 2.3.2 Civil Engineering Work including all related Supplies

2.3.2.1 Hundred percent (100%) of the Basic Price specified in the **Appendix-1**, along with **applicable GST**, shall be released on pro-rata basis subject to satisfactory progress of work as per the approved Billing Schedule, after adjusting 7.5% advance paid (2.1.1 and 2.1.2) and keeping 20.0% of the Basic Price as Retention amount.



- 2.3.3 **Supply of Building & Technological Steel Structures and Plant & Equipment including Refractories & Commissioning Spares**
- 2.3.3.1 Hundred percent (100%) of the Basic Price specified in the **Appendix-1, along with applicable GST**, shall be released on pro-rata basis on receipt of steel structures and plant & equipment at Site, in full and good condition, in case of indigenous steel structures and plant & equipment and for imported steel structures and plant & equipment for which prices indicated in the Contract are in Foreign currencies, on receipt of Shipping Documents specified in the **Sub-Clause 21.4.4** of GCC, after adjusting 7.5% advance paid (2.1.1 and 2.1.2) and keeping 20.0% of the Basic Price as Retention amount.
- 2.3.4 **Customs Clearance (excluding Customs Duty), Port Clearance & Inland Transportation, etc.**
- 2.3.4.1 Hundred percent (100%) of the Basic Price specified in the **Appendix-1, along with applicable GST**, shall be released on pro-rata basis upon satisfactory progress of receipt of imported supplies for which the prices indicated in the Contract are in Foreign currencies, at site and against submission of necessary document along with invoices duly certified by the Employer, after adjusting 7.5% advance paid (2.1.1 and 2.1.2) and keeping 20.0% of the Basic Price as Retention amount.
- 2.3.4.2 Hundred percent (100%) of the Basic Price specified in the **Appendix-1, along with applicable GST**, shall be released for comprehensive transit, storage cum erection insurance on pro-rata progress of delivery of indigenous equipment & erection, after adjusting 7.5% advance paid (2.1.1 and 2.1.2) and keeping 20.0% of the Basic Price as Retention amount.
- 2.3.5 **Erection of Building Steel Structures including Sheeting**
- 2.3.5.1 Hundred percent (100%) of the Basic Price specified in the **Appendix-1, along with applicable GST**, shall be released on pro-rata basis upon satisfactory progress of work as per approved billing schedule after adjusting 7.5% advance paid (2.1.1 and 2.1.2) and keeping 20.0% of the Basic Price as Retention amount.
- 2.3.6 **Erection of Refractories**
- 2.3.6.1 Hundred percent (100%) of the Basic Price specified in the **Appendix-1, along with applicable GST**, shall be released on actual Tonnage basis when the refractories are erected in position & checked, after adjusting 7.5% advance paid (2.1.1 and 2.1.2) and keeping 20.0% of the Basic Price as Retention amount.
- 2.3.7 **Erection of Mechanical & Electrical Plant & Equipment including Technological Steel Structures, Testing, Commissioning & Performance Guarantee Tests of Facilities**
- 2.3.7.1 Forty percent (40%) of the Basic Price specified in the **Appendix-1, along with applicable GST**, shall be released on pro-rata basis when the plant & equipment are placed on the foundation/in position after adjusting 7.5% advance paid (2.1.1 and 2.1.2)
- 2.3.7.2 Sixty percent (60%) of the Basic Price specified in the **Appendix-1, along with applicable GST**, shall be released on pro-rata basis when the plant & equipment are completely erected, aligned, welded/grouted and checked after adjusting 7.5% advance paid (2.1.1 and 2.1.2) and keeping 20.0% of the Basic Price as Retention amount.



---

2.3.8 **Supervision of Erection, Testing, Commissioning and Performance Guarantees Tests by Foreign Experts**

2.3.8.1 Hundred percent (100%) of the Basic Price specified in the **Appendix-1, (along with applicable GST for prices quoted in local currency)**, shall be released at the end of every month on pro-rata basis on utilization of man-days in that particular month duly certified by the Employer, subject to the total price payable for supervision not being in excess of the provisions made in the Contract, after adjusting 7.5% advance paid (2.1.1 and 2.1.2) and keeping 20.0% of the Basic Price as Retention amount.

**2.4 Supply of 2 years Operation and Maintenance Spares**

*(To be DELETED if O&M Spares is not part of Contract Price)*

2.4.1 Ninety percent (90%) of the Basic Price specified in the Appendix-1, along with total applicable GST on Basic Price, shall be released on pro-rata basis on receipt of 2 years Operation and Maintenance Spares at Site, in full and good condition, in case of indigenous 2 years Operation and Maintenance Spares and for 2 years Operation and Maintenance Spares for which prices indicated in the Contract are in Foreign currencies, on receipt of Shipping Documents specified in the Sub-Clause **21.4.4** of GCC.

*(To be DELETED if O&M Spares is not part of Contract Price)*

2.4.2 Ten percent (10%) of the Basic Price specified in the **Appendix-1**, shall be released after the end of the defect liability period of two years for Operation and Maintenance spares.

*(To be DELETED if O&M Spares is not part of Contract Price)*

**Attachment-1 to Appendix-3**
**Format of Letter of Credit**

Type of L/C	Irrevocable
Date & Place of L/C	
Name & Address of Applicant	Steel Authority of India Ltd, _____ Steel Plant, _____
Name & Address of the Beneficiary	
Currency & Amount of Credit (in Figures & Words)	
Variation in L/C amount or additional amount permitted	
Usance of the Drafts	_____
Credit available with / by	Advising Bank / Payment
Drafts to be drawn on	_____, India
Validity of Letter of Credit	
Partial Shipment :	
Transshipment :	
Shipment from :	----- Air / Sea Port
Shipment to :	----- Air / Sea port
Latest Shipment Date	
Description of Goods	
Documents Required	As per Separate Annexure enclosed.
Specify, if any charges are to beneficiary's account	All Charges outside India to beneficiary's account.
Documents to be presented	Within 7 days / 21 days in case of Air / Sea shipment as the case may be.
Confirmation Instructions	If beneficiary wishes to be confirmed, at their cost.
Credit to be advised to the beneficiary through (Bank)	Bank Name ..... A/c No..... Swift Code.....

---

**Annexure forming part of Letter of Credit Application**  
**Documents are to be presented for the Purpose of Payment and Terms & Conditions**  
**To be finalized by each individual Plants / Units**

**PRICE ADJUSTMENT DUE TO VARIATION IN PRICE INDICES**

- 1.0 The prices for the items for which the prices indicated in the Contract are in foreign currencies, shall not be subject to any price adjustment / escalation.
- 1.1 Applicability of price adjustment shall be governed by clause-11.3, 11.4 & 11.5 of GCC. Price adjustment, if any, if required to be made in terms of Contract then the same shall be paid every six (6) months.
- 2.0 The Base Date of the Contract Price is \_\_\_\_\_. [*Base date of the Contract for the purpose of price adjustment shall be the date seven(7) days before last date of submission of price bid/ updated price bid or date of start of Reverse Auction*]
- 2.1 The 'Original Price' as on Base Date shall be referred to as "Po" and the 'Revised Price' after price adjustment, if any, shall be referred to as "P" in the formulae given hereunder. "Po" and "P" are exclusive of taxes & duties. If, price adjustment becomes applicable in terms of the Contract, "P" minus "Po" shall be the net price adjustment to be made.
- 2.2 The terms LTR and LTO have been defined below under the different heads, wherever applicable. The values for LTR & LTO shall be taken based on Gazette Notification or Circular/ Letter issued by Employer, as applicable. In no case LTR for Gazette Notification and LTO for Circular/ Letter issued by Employer, or vice-versa shall be taken. This shall be applicable for calculating the price adjustment under clause 2.5 to 2.9 hereunder.

2.3 **For Supply of Indigenous Mechanical Plant & Equipment including Technological Structures**

Unless otherwise specified, the Price for supply of indigenous mechanical plant & equipment including Technological Structures shall be subject to adjustment as per the following formula:

$$P = Po [ 0.20 + 0.80 RBli / RBlo ]$$

Where :

P = Revised price after adjustment.

Po = Original Price for Supply of Indigenous Mechanical Plant & Equipment including Technological Structures as on Base Date.

RBli = RBI Index for **Manufacture of Machinery and Equipment – Commodity no. 1.3.18.0** of Index Number of wholesale price in India, prevailing one month prior to actual month of delivery or one month prior to end scheduled completion month of delivery, whichever is lower.

RBlo = RBI Index for **Manufacture of Machinery and Equipment– Commodity no. 1.3.18.0** of Index Number of wholesale price in India, prevailing on Base Date.

2.4 **For Supply of Indigenous Electrical Plant & Equipment including Automation, Instrumentation & Telecommunication**

Unless otherwise specified, the Price for supply of indigenous electrical plant & equipment including Instrumentation & Telecommunication shall be subject to adjustment as per the formula given under Sub-Clause 2.3 hereof, shall be applicable for the purpose of calculation of the Price Adjustment. However, instead of **Commodity no. 1.3.18.0, Commodity no. 1.3.17.00 for Manufacture of Electrical Equipment** of Index Number of wholesale price in India will be applicable.

The Price Adjustment as above will be calculated based on RBI index prevailing one month prior to the actual month of delivery or one month prior to end scheduled completion month of delivery, whichever is lower.

## 2.5 For Erection of Mechanical and Electrical Plant & Equipment

The prices for erection of mechanical and electrical plant & equipment shall be subject to adjustment as per the following formula :

$$P = P_o \left[ \frac{0.50 + 0.50 \frac{LTR}{LTO}}{1} \right]$$

Where :

P = Revised price after adjustment.

P<sub>o</sub> = Original Price for Erection of Mechanical and Electrical Plant & Equipment as on Base Date.

LTR = Minimum wage payable to the minimum rated unskilled worker within the Plant premises / Mines (as per the Gazette Notification for minimum wages issued by the State/ Central Government as applicable) on actual date of erection or scheduled date of erection, whichever is earlier.

or The revised Labour Rate of minimum rated worker applicable as per Circular/ Letter issued by Employer, covering the payment of the Contractor's workers within the plant premises on actual date of erection or schedule date of erection, which ever is earlier.

LTO = Minimum wage payable to the minimum rated unskilled worker within the Plant premises / Mines (as per the Gazette Notification for minimum wages issued by the State/ Central Government as applicable) on the base date.

or The original Labour Rate of minimum rated worker as applicable on the Base Date as per Circular/Letter issued by Employer, covering the payment of the Contractor's workers within the plant premises.

The Price Adjustment towards the labour component, shall be payable for the quantities on pro-rata basis as per the agreed bar chart or actual quantity executed, whichever is less.

## 2.6 For Supply of Building Steel Structures and Sheeting

Unless otherwise specified, the Price for supply of building steel structures and sheeting shall be subject to adjustment in accordance with the following formulae :

### 2.6.1 In case Steel is given by the Employer on cost recovery basis at rates prevailing on Base Date

$$P = P_o \left[ \frac{0.7 + 0.3 \frac{LTR}{LTO}}{1} \right]$$

Where :

P = Revised price after adjustment.

P<sub>o</sub> = Original Price for Supply of Steel Structures and Sheeting as on Base Date.

The details of LTR and LTO are given at **Sub-Clause 2.6.3**

### 2.6.2 For steel is procured by the Contractor under the scope of work.

$$P = P_o \left[ \frac{0.3 + 0.4 \frac{RBli}{RBlo} + 0.3 \frac{LTR}{LTO}}{1} \right]$$

Where :

P = Revised price after adjustment.

P<sub>o</sub> = Original Price for Supply of Steel Structures & Sheeting as on Base Date.

RBI = Wholesale price Index for 'mild steel long product'-Commodity no. 1.3.14.04 as per RBI Bulletin prevailing one month prior to actual month of delivery or one month prior to end scheduled completion month of delivery, whichever is lower.

RBlo = Wholesale price Index for 'mild steel long product'- Commodity no. 1.3.14.04 as per RBI Bulletin prevailing on Base Date.

The details of LTR and LTO are given at **Sub-Clause 2.6.3**

**2.6.3 For Building Steel Structures Fabricated inside Employer's Plant Premises:**

LTR = Minimum wage payable to the minimum rated unskilled worker within the Plant premises / Mines (as per the Gazette Notification for minimum wages issued by the State/ Central Government as applicable) on actual date of supply or scheduled date of supply, whichever is earlier.

or The revised Labour Rate of minimum rated worker applicable as per Circular/ Letter issued by Employer, covering the payment of the Contractor's workers within the plant premises on actual date of supply or schedule date of supply, which ever is earlier.

LTO = Minimum wage payable to the minimum rated unskilled worker within the Plant premises / Mines (as per the Gazette Notification for minimum wages issued by the State/ Central Government as applicable) on the base date.

or The original Labour Rate of minimum rated worker as applicable on the Base Date as per Circular/ Letter issued by Employer, covering the payment of the Contractor's workers within the plant premises.

**2.6.4 For Building Steel Structures Fabricated outside Employer's Plant Premises:**

LTR = Minimum wage payable to the minimum rated unskilled worker at which the SAIL UNIT is located (as per the Gazette Notification for minimum wages issued by the State/ Central Government as applicable) on actual date of supply or scheduled date of supply, whichever is earlier.

LTO = Minimum wage payable to the minimum rated unskilled worker at which the SAIL UNIT is located (as per the Gazette Notification for minimum wages issued by the State/ Central Government as applicable) on the base date.

**2.7 For Erection of Building Steel Structures and Sheeting**

Unless otherwise specified, the Price for erection and installation of building steel structures and sheeting including final painting shall be subject to adjustment in accordance with the formula given hereunder:

$$P = P_o \left[ \frac{LTR}{0.60 + 0.40 \frac{LTO}{LTR}} \right]$$

Where :

P = Revised price after adjustment.

Po = Original Price for Erection of Steel Structures and Sheeting as on Base Date.

LTR = Minimum wage payable to the minimum rated unskilled worker within the Plant premises / Mines (as per the Gazette Notification for minimum wages issued by the State/ Central Government as applicable) on actual date of erection or scheduled date of erection, whichever is earlier.

or The revised Labour Rate of minimum rated worker applicable as per Circular/ Letter issued by Employer, covering the payment of the Contractor's workers within the plant premises on actual date of erection or schedule date of erection, which ever is earlier.

LTO = Minimum wage payable to the minimum rated unskilled worker within the Plant premises / Mines (as per the Gazette Notification for minimum wages issued by the State/ Central Government as applicable) on the base date.

or The original Labour Rate of minimum rated worker as applicable on the Base Date as per Circular/ Letter issued by Employer, covering the payment of the Contractor's workers within the plant premises.

## 2.8 For Civil Engineering Works including all necessary Supplies\* and Dismantling

Unless otherwise specified, the Price for the Civil Engineering works including all necessary supplies shall be subject to adjustment in accordance with the following formulae :

$$P = P_o \left[ 0.35 + 0.25 \frac{\text{RBli (cement)}}{\text{RBlo (cement)}} + 0.10 \frac{\text{RBli (steel)}}{\text{RBlo (steel)}} + 0.3 \frac{\text{LTR}}{\text{LTO}} \right]$$

Where :

P = Revised price after adjustment.

P<sub>o</sub> = Original Price for Civil Engineering works as on Base Date.

RBli(cement) = Wholesale price Index for **cement, lime and plaster - Commodity no. 1.3.13.05** as per RBI Bulletin prevailing one month prior to actual month of execution or one month prior to end scheduled completion month, whichever is lower.

RBlo(cement) = Wholesale price Index for **cement, lime and plaster - Commodity no. 1.3.13.05** as per RBI Bulletin prevailing on Base Date.

LTR = Minimum wage payable to the minimum rated unskilled worker within the Plant premises / Mines (as per the Gazette Notification for minimum wages issued by the State/ Central Government as applicable) on actual date of execution or scheduled date of completion, whichever is earlier.

or The revised Labour Rate of minimum rated worker applicable as per Circular/ Letter issued by Employer, covering the payment of the Contractor's workers within the plant premises on actual date of execution or schedule date of completion, which ever is earlier.

LTO = Minimum wage payable to the minimum rated unskilled worker within the Plant premises / Mines (as per the Gazette Notification for minimum wages issued by the State/ Central Government as applicable) on the base date.

or The original Labour Rate of minimum rated worker as applicable on the Base Date as per Circular/ Letter issued by Employer, covering the payment of the Contractor's workers within the plant premises.

The Price Adjustment towards the labour component shall be payable for the quantities on pro-rata basis as per the agreed Bar Chart or actual quantity executed, which ever is less.

RBli(steel) = Wholesale price Index for **mild steel – long product, Commodity no. 1.3.14.04** as per RBI Bulletin prevailing one month prior to actual month of execution or one month prior to end scheduled completion month, whichever is lower.

RBlo(steel) = Wholesale price Index for **mild steel – long product, Commodity no. 1.3.14.04** as per RBI Bulletin prevailing on Base Date.

## 2.9 For Erection of Refractories

Unless otherwise specified, the Price for Erection of Refractories shall be subject to adjustment as per the following formula :

$$P = Po \left[ 0.50 + 0.50 \frac{LTR}{LTO} \right]$$

Where :

P = Revised price after adjustment.

Po = Original Price for Refractories as on Base Date.

LTR = Minimum wage payable to the minimum rated unskilled worker within the Plant premises / Mines (as per the Gazette Notification for minimum wages issued by the State/ Central Government as applicable) on actual date of erection or scheduled date of erection, whichever is earlier.

or The revised Labour Rate of minimum rated worker applicable as per Circular/ Letter issued by Employer, covering the payment of the Contractor's workers within the plant premises on actual date of erection or schedule date of erection, which ever is earlier.

LTO = Minimum wage payable to the minimum rated unskilled worker within the Plant premises / Mines (as per the Gazette Notification for minimum wages issued by the State/ Central Government as applicable) on the base date.

or The original Labour Rate of minimum rated worker as applicable on the Base Date as per Circular/ Letter issued by Employer, covering the payment of the Contractor's workers within the plant premises.

The Price Adjustment towards the labour component shall be payable for the quantities on pro-rata basis as per the agreed bar chart or actual quantity executed, whichever is less.

## 2.10 For Supply of Refractories

Unless otherwise specified, the Price for supply of Refractories shall be subject to adjustment as per the following formula :

$$P = Po \left[ 0.50 + 0.50 \frac{RBli}{RBlo} \right]$$

Where :

P = Revised price after adjustment.

Po = Original Price for Supply of Indigenous Refractories as on Base Date.

RBli = RBI Index **for Refractory products – Commodity no. 1.3.13.02** of Index Number of wholesale price in India, prevailing one month prior to actual month of delivery or one month prior to end scheduled completion month of delivery, whichever is lower.

RBlo = RBI Index **for Refractory products– Commodity no. 1.3.13.02** of Index Number of wholesale price in India, prevailing on Base Date.



2.11 If on the specific request of Employer, Delivery of certain indigenous items of supply are deferred, then the price variation shall be applicable for the deferred item(s) as well. The price variation shall be calculated in two stages as mentioned hereof:

- a) For price adjustment arising between base date of Contract and original schedule completion month of delivery, the price variation admissible shall be within the ceiling of 15% price variation.

RBlo shall be the RBI Index for the specified item as prevailing on Base Date.

Further, The Price Adjustment will be calculated based on RBI index (i.e. RBli) prevailing one month prior to end scheduled completion month of delivery (as per Annexure XII of GCC).

- b) For price adjustment arising between original schedule completion month of delivery of the specific equipment and the revised schedule completion month of delivery of that specific equipment (as per Annexure XII of GCC), the price variation admissible shall be beyond the ceiling of 15% price variation.

RBlo shall be the RBI Index for the specified item prevailing one month prior to original schedule completion month of delivery.

Further, The Price Adjustment will be calculated based on RBI index (i.e. RBli) prevailing one month prior to the actual date of delivery or one month prior to end scheduled completion month of delivery (as per Annexure XII of GCC), whichever is lower.

Unless otherwise specified, the Price for supply of specified indigenous item of supply shall be subject to adjustment as per the relevant formula and relevant commodity no given under respective Sub-Clause, shall be applicable for the purpose of calculation of the Price Adjustment.

In case of such deferment on supplies quoted in foreign currency, the price adjustment if any, shall be finalized mutually.

**2.12 For Supply of 2 years O&M spares for Indigenous Mechanical Plant & Equipment including Technological Structures**

Unless otherwise specified, the Price for Supply of 2 years O&M spares for Indigenous Mechanical Plant & Equipment including Technological Structures shall be subject to adjustment as per the following formula :

$$P = \frac{Po \left[ \frac{RBli}{RBlo} \right]^{0.20 + 0.80 \left( \frac{RBli}{RBlo} \right)}}{\left[ \frac{RBli}{RBlo} \right]}$$

Where :

P = Revised price after adjustment.

Po = Original Price for Supply of 2 years O&M spares for Indigenous Mechanical Plant & Equipment including Technological Structures as on Base Date.

RBli = RBI Index for Manufacture of Machinery and Equipment – Commodity no. 1.3.18.0 of Index Number of wholesale price in India, prevailing one month prior to actual month of delivery or one month prior to end scheduled completion month of delivery, whichever is lower.

RBlo = RBI Index for Manufacture of Machinery and Equipment – Commodity no. 1.3.18.0 of Index Number of wholesale price in India, prevailing on Base Date.

*(To be DELETED if O&M Spares is not part of Contract Price)*

---

**2.13 For Supply of 2 years O&M spares for Indigenous Electrical Plant & Equipment including Automation, Instrumentation & Telecommunication**

Unless otherwise specified, the Price for supply of O&M spares for indigenous electrical plant & equipment including Instrumentation & Telecommunication shall be subject to adjustment as per the formula given under Sub-Clause 2.12 hereof, shall be applicable for the purpose of calculation of the Price Adjustment. However, instead of **Commodity no. 1.3.18.0, Commodity no. 1.3.17.00 for Manufacture of Electrical Equipment** of Index Number of wholesale price in India will be applicable.

The Price Adjustment as above will be calculated based on RBI index prevailing one month prior to the actual month of delivery or one month prior to end scheduled completion month of delivery, whichever is lower.

*(To be DELETED if O&M Spares is not part of Contract Price)*

## PERFORMANCE GUARANTEES

- 1.0 This Appendix sets out
- (a) the performance guarantees referred to in **Clause 27** of GCC (Performance Guarantee Tests).
  - (b) the preconditions to the validity of the performance guarantees, either in production and/or consumption, set forth below.
  - (c) the minimum level of the performance guarantees.
  - (d) the procedure for conducting the performance guarantee tests, recording of measurements / results and calculation for deriving the test results.
  - (e) formula for calculation of liquidated damages for failure to attain the performance guarantees.

### 2. **Preconditions**

The Contractor gives the performance guarantees (specified herein) for the Facilities, subject to the following preconditions being fully satisfied:

*[List any conditions (if any) for the carrying out of the Guarantee Test referred to in **Clause 27** of GCC.]*

### 3. **Performance Guarantee Parameters**

Subject to compliance with the foregoing preconditions, the Contractor guarantees as follows :

#### 3.1 **Guaranteed Production Capacity**

*[List here the production capacity that the Contractor is to guarantee, making sure to use, as performance guarantees, the figures offered by the Contractor in its bid.] and / or*

#### 3.2 **Guaranteed Maximum Consumption of Raw Materials and Utilities**

*[List here the guaranteed items of consumption per unit of production (e.g., kg, tons, kcal, kWh, etc.) that the Contractor is to guarantee, making sure to use, as performance guarantees, the figures offered by the Contractor in its bid.]*

### 4. **Failure in Guarantees and Liquidated Damages**

#### 4.1 **Failure to Attain Guaranteed Parameters**

If the Performance Guarantee Parameters of the facilities attained in the performance guarantee test, pursuant to **Clause 27** of GCC, is less than the guaranteed figure specified, but the actual Performance Guarantee Parameters attained in the performance guarantee test is not less than the minimum level of performance guarantee parameters specified, and the Contractor elects to pay liquidated damages to the Employer in lieu of making changes, modifications and / or additions to the facilities, pursuant to **Sub-Clause 27.4 & Sub-Clause 27.4.1** of GCC, then the Contractor shall pay liquidated damages at the rate specified.

---

## 4.2 Limitation of Liability

- 4.2.1 The Contractor's aggregate liability to pay liquidated damages for failure to attain the performance guarantee parameters above the minimum levels of performance guarantee parameters specified shall not exceed seven and half percent ( 7.5 %) of the Contract Price plus escalations, if any, excluding taxes & duties.
- 4.2.2 However, in case the Contractor expresses its inability to achieve a maximum level of performance guarantee parameters and reduce consumption of raw materials and Utilities below the maximum level of guaranteed maximum level of consumption of raw materials and Utilities, the Employer shall not reject the plant and equipment after commissioning and achievement of minimum Performance Guarantee parameters. After successful commissioning and achievement of minimum Performance Guarantee parameters, the total liability of the Contractor on account of delay and non-achievement of maximum PG parameters will not be more than LD.
- 4.2.3 In case, even after all possible repairs and replacements the Facilities fail to attain the minimum level of performance guarantee parameters, the Employer may reject the Facility and recover the entire cost paid to the Contractor or alternatively the Employer may proceed for commercial settlement with the Contractor for acceptance of the Facilities at the negotiated Price.

**LIST OF APPROVED VENDORS  
(Applicable for Indian Component only)**

- 1.0 The following Vendors are approved for carrying out the item of the Facilities indicated against each of them.
- A. Where more than one Vendor is listed, the Contractor is free to choose any of them, but it must notify the Employer of its choice well in advance prior to appointing any selected Vendor.
- B. The contractor shall not be permitted to propose a new vendor for items where at least three approved vendors are available for providing supplies.
- However, where at least three vendors are not available to provide supplies, the contractor may propose additional vendors for approval of the employer.
- No approval of the Employer is required to be obtained by the contractor for procurement of items that are not listed in this Appendix.

[List of Approved vendors shall be issued / displayed in website separately]

# GENERAL CONDITIONS OF CONTRACT

---

**GENERAL CONDITIONS OF CONTRACT****INDEX**

<b><u>Sl.</u></b>	<b><u>Description</u></b>	<b><u>Page No.</u></b>
<b>A.</b>	Contract and Interpretation	
1.	Definitions	97
2.	Contract Documents	99
3.	Interpretation	99
4.	Notices	102
5.	Governing Law	102
6.	Settlement of Disputes	102
<b>B.</b>	Subject Matter of Contract	
7.	Scope of Facilities	105
8.	Time for Completion	111
9.	Contractor's Responsibilities	111
10.	Employer's Responsibilities	112
<b>C.</b>	Payment	
11.	Contract Price	113
12.	Terms of Payment	118
13.	Securities	119
14.	Taxes and Duties	121
<b>D.</b>	Confidential Information	
15.	Copyright	124
16.	Confidential Information	124
<b>E.</b>	Work Execution	
17.	Representatives	124
18.	Work Program	126
19.	Subcontracting	129
20.	Design and Engineering	130
21.	Procurement	134
22.	Installation	138
23.	Test and Inspection	142
24.	Preliminary Acceptance	143
25.	Commissioning	144
26.	Taking Over	145
27.	Performance Guarantee Test	145
28.	Final Acceptance	147

<b>Sl.</b>	<b>Description</b>	<b>Page No.</b>
<b>F.</b>	<b>Guarantees and Liabilities</b>	
29.	Completion Time Guarantee	147
30.	Defect Liability	149
31.	Patent Indemnity	150
32.	Limitation of Liability	151
<b>G.</b>	<b>Risk Distribution</b>	
33.	Transfer of Ownership	151
34.	Care of Facilities	152
35.	Loss of or Damage to Property; Accident or Injury to Workers; Indemnification	152
36.	Insurance	153
37.	Negligence	156
38.	Change in Laws and Regulations	157
39.	Force Majeure	157
40.	War Risks	158
<b>H.</b>	<b>Change in Contract Element</b>	
41.	Change in the Facilities	158
42.	Extension of Time for Completion	159
43.	Suspension	160
44.	Termination	161
45.	Assignment	163
46.	Surplus Materials	164
47.	General	164
48.	Foreclosure	164
<b>I.</b>	<b>Annexures</b>	
I	Performance Bank Guarantee	165
II	Bank Guarantee for Release of Payment against Commissioning Certificate/ Performance Guarantee Certificate/ Final Acceptance Certificate	167
III	Proforma for Custody Cum Indemnity Bond	169
IV	Form of Preliminary Acceptance Certificate	170
V	Form of Commissioning Certificate	171
VI	Form of Performance Guarantee Certificate	172
VII	Form of Final Acceptance Certificate	173
VIII	Form of Change Order	174
IX	Bank Guarantee for Interim Advance	175



<u>Sl.</u>	<u>Description</u>	<u>Page No.</u>
X	Joint Deed of Undertaking (Licensor & Licensee)	178
XI	Bank Guarantee for taking out material from Plant/Unit	180
XII	Form of Deferred supply of Goods	183
XIII	Format for Hindrance Register	184
<b>J.</b>	Safety Code for Contractors	
	Safety in Contract Works	186
	Safety in Contract Works in Mines	205
	Guideline for settlement of claim for compensation in respect of accident at Plants/ Units due to Employer's negligence	216
	ACRONYMS	220

## GENERAL CONDITIONS OF CONTRACT

### A. CONTRACT & INTERPRETATION

#### 1. Definitions

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

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

“**Contract Documents**” means the documents listed in Article 1.2 (Contract Documents) of the Contract Agreement (including any amendments thereto).

“**GCC**” means the General Conditions of Contract hereof.

“**SCC**” means the Special Conditions of Contract.

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

“**GTS**” means the General Technical Specifications.

“**GST**” means the Goods & Services Tax

“**Day**” means calendar day of the Gregorian Calendar.

“**Month**” means calendar month of the Gregorian Calendar.

“**Mandays**” means all working days.

“**Employer**” means Steel Authority of India Limited (SAIL), (*Name of the Unit*) **Steel Plant** and includes the legal successors or permitted assigns of the Employer.

“**Project Manager**” means the person appointed by the Employer in the manner provided in **Sub-Clause 17.1** (Project Manager) hereof and to perform the duties delegated by the Employer.

“**Consultant**” means the person(s) named as such in the **Clause 1.4** of SCC to perform the duties delegated by the Employer as specified in the **Article 6** of the Contract Agreement.

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

“**Contractor’s Representative**” means any person nominated by the Contractor and approved by the Employer in the manner provided in **Sub-Clause 17.2** (Contractor’s Representative) hereof to perform the duties delegated by the Contractor. For site work Contractor’s Representative shall also mean the representative of Sub-Contractors and Sub-Contractor’s Sub-Contractors.

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

“**Contract Price**” means the sum specified in **Article 2.1** (Contract Price) of the Contract Agreement, subject to such additions and adjustments thereto or deductions there from,

as may be made pursuant to the Contract. Contract Price shall include the value of any Change Orders and Commercial Settlements but shall not include Variations on account of price and statutory variations.

“**Base Date**” means the date given in **Sub-Clause 2.0** of **Appendix-4** of Contract Agreement which shall be considered in price variation formulae as given in **Sub-Clause 2.3 to 2.9** of **Appendix-4** of Contract Agreement.

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

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

“**Installation Services**” or “**Services**” means all those services ancillary to the supply of the Plant and Equipment for the Facilities, to be provided by the Contractor under the Contract; e.g., design & engineering, supervision work, Customs & Port clearance, loading & unloading, dismantling & modification, intermediate storage, transportation and provision of marine or other similar insurance, inspection, expediting, site preparation works (including the provision and use of Contractor’s Equipment and the supply of all construction materials required), installation, testing, pre-commissioning, commissioning, demonstration of performance guarantee tests, the provision of operations and maintenance manuals, training, etc.

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

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

“**Effective Date of Contract**” means the date of signing of Contract or 30 days from date of Letter of acceptance (LOA), whichever is earlier.

“**Time for Completion**” means the time specified in **Article 5.1** of the Contract Agreement within which Completion of the Facilities as a whole (or of a part of the Facilities where a separate Time for Completion of such part has been prescribed) is to be attained in accordance with the stipulations made in the Contract Agreement and the relevant provisions of the Contract.

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

“**Pre-commissioning**” means the checking, testing including conducting of integrated trial runs (cold integrated trial runs in case of Facilities involving operation at high temperature) and meeting other requirements specified in the Technical Specifications that are to be carried out by the Contractor in preparation for Commissioning as provided in **Clause 24** (Preliminary Acceptance) hereof.

“**Preliminary Acceptance**” of the Facilities means that the Facilities have been completed operationally and structurally and put in a tight and clean condition, and that all work in respect of Pre-commissioning of the Facilities have been completed; in other words, that the Facilities are fit for Start-up & Commissioning and Preliminary Acceptance Certificate has been issued as provided in **Clause 24** (Preliminary Acceptance) hereof.

“**Program of Performance**” shall mean the program submitted by the Contractor in accordance with **clause 18.1**

“**Preliminary Acceptance Certificate**” means the Certificate to be issued by the Employer on successful completion of Preliminary Acceptance Tests.

“**Commissioning**” means operation of the Facilities by the Contractor to a level of output as provided in **Clause 25** (Commissioning) hereof or as specified in Technical Specifications.

“**Commissioning Certificate**” is the Certificate to be issued by the Employer as per **Sub-Clause 25.3** hereof.

“**Completion of the Facilities**” means the Facilities have been completed and accepted when commissioned as per **Clause 25** (Commissioning).

The Facilities will be considered completed in all respects and accepted when Performance Guarantee Parameters are established as per **Clause 27** and Final Acceptance Certificate has been issued as per **Clause 28** hereof”

“**Taking Over**” means, taking over of the facilities by the Employer upon the date of commissioning mentioned in the commissioning certificate. The Employer shall be responsible for the care & custody of the Facilities together with the risk of loss or damage thereto.

“**Performance Guarantee Test**” means the test(s) specified in the Technical Specifications to be carried out to ascertain whether the Facilities are able to attain the Performance Guarantees specified in the Contract as per **Clause 27** hereof.

“**Performance Guarantee Certificate**” means the Certificate to be issued by the Employer upon successful establishment of Performance Guarantees Parameter as specified in **Appendix-5** to Contract Agreement.

“**Final Acceptance**” means the acceptance by the Employer of the Facilities which certifies the Contractor’s fulfillment of the Contract in respect of Performance Guarantees of the Facilities in accordance with the provisions of **Clause 27** hereof and completion of Defects Liability Period.

“**Final Acceptance Certificate**” is the Certificate to be issued by the Employer as per **Clause 28** hereof.

“**Defect Liability Period**” means the period of validity of the warranties given by the Contractor commencing from the date of Commissioning of the Facilities, during which the Contractor is responsible for defects with respect to the Facilities as provided in **Clause 30** (Defect Liability) hereof.

## 2. Contract Documents

2.1 Subject to **Article 1.3** (Order of Precedence) of the Contract Agreement, all documents forming part of the Contract (and parts thereof) are intended to be correlative, complementary and mutually explanatory. The Contract shall be read as a whole.

2.2 The Contractor shall be required to provide at least **20 (Twenty)** copies of signed Contract Agreement (along with a scanned copy) for Employer’s use within **30 (thirty)** days of the date of signing of the Contract.

## 3. Interpretation

### 3.1 Language

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

### 3.2 Singular and Plural

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

### 3.3 Headings

3.3.1 The headings and marginal notes in the General Conditions of Contract are included for ease of reference, and shall neither constitute a part of the Contract nor affect its interpretation.

### 3.4 Persons

3.4.1 Words importing persons or parties shall include firms, Corporations, Companies, Joint Ventures, Consortiums and Government entities.

### 3.5 Incoterms

3.5.1 Unless inconsistent with any provision of the Contract, the meaning of any trade term and the rights and obligations of parties thereunder shall be as prescribed by current edition of **Incoterms** in vogue.

**Incoterms** means international rules for interpreting trade terms published by the International Chamber of Commerce (latest edition), 38 Course Albert 1<sup>er</sup>, 75008 Paris, France.

### 3.6 Entire Agreement

3.6.1 The Contract constitutes the entire agreement between the Employer and Contractor with respect to the subject matter of Contract and supersedes all communications, negotiations and agreements (whether written or oral) of parties with respect thereto made prior to the date of Contract.

### 3.7 Amendment

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

### 3.8 Contractor

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

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

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

### 3.9 Consortium

3.9.1 If the Contractor is a consortium of two or more parties, all such parties shall be jointly and severally bound to the Employer for the fulfillment of the obligations of the Contractor as per provisions of the Contract and shall designate one of such party to act as a leader with authority to bind the consortium.

The leader and other members of the consortium shall be jointly & severally responsible and liable for execution of the contract, but will be liable for damages in proportion to the respective scope of facilities.

Notwithstanding the provisions of being jointly and severally liable to Employer by all members of consortium, the leader of consortium shall be primarily responsible for full execution of the entire "Scope of work" of this

Contract, so that the Employer gets the facilities completed in time in all respects.

The leader shall be authorised to incur liabilities and receive instructions for and on behalf of any & all members of the consortium and the same shall be binding on all Consortium Members.

Unless otherwise expressly specified in the contract, only the consortium leader shall be authorised to make all communications including notices under the contract for or on behalf of any or all members of the consortium.

Leader of the Consortium shall undertake full responsibility for timely completion of the awarded work.

Leader of the Consortium shall take the overall responsibility of project management of entire project. However, each PARTY shall remain responsible towards the other PARTY for its respective scope of work for its actions and deficiencies.

Leader of the Consortium shall be responsible for resolving any disputes/ misunderstanding / undefined activities etc., if any, amongst all the members of the Consortium

In case any one or more of the members of the consortium become insolvent or are unable to fulfill their contractual obligations, the Leader of the Consortium will be liable for the execution of the balance scope of work of the Contract without any demur/ condition and all the liabilities of the Consortium partner(s) shall automatically be deemed to be taken over by the Consortium Leader.

The composition or the constitution of the consortium, who have become eligible, may be permitted to alter only with the prior consent of the Employer in writing.

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

3.9.3 In case of Consortium, the notarized Memorandum of Agreement (MOA) between Leader of Consortium and all other Consortium members shall be furnished at 'Bid submission stage (by all bidders)' as well at Contract signing stage before signing of the Contract (by successful bidder)

The validity of the Consortium Agreement will be until all obligations, liabilities and warranties undertaken/given by the Consortium in connection with the Contract with SAIL have been settled.

### 3.10 Waiver

3.10.1 Subject to **Sub-Clause 3.10.2** below, no relaxation, forbearance, delay or indulgence by either party in enforcing any of the terms and conditions of the Contract or the granting of time by either party to the other shall prejudice, affect or restrict the rights of that party under the Contract, nor shall any waiver by either party of any breach of Contract operate as waiver of any subsequent or continuing breach of Contract.

3.10.2 Any waiver of a party's rights, powers or remedies under the Contract must be in writing, must be dated and signed by an authorised representative of the party granting such waiver, and must specify the right and the extent to which it is being waived.

### 3.11 Severability

3.11.1 If any provision or condition of the Contract is prohibited or rendered invalid or unenforceable, such prohibition, invalidity or unenforceability shall not affect the validity or enforceability of any other provisions and conditions of the Contract.

## 4. Notices

4.1 Unless otherwise stated in the Contract, all notices to be given under the Contract shall be in writing, and shall be sent by personal delivery, post / airmail post, special courier, telefax, , or signed & scanned copy of Notice through email to the address of the relevant party set out in the Special Conditions of Contract, with the following provisions.

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

4.1.2 Any notice sent by airmail post or special courier shall be deemed (in the absence of evidence of earlier receipt) to have been delivered ten (10) days after dispatch. In proving the fact of dispatch, it shall be sufficient to show that the envelope containing such notice was properly addressed, stamped and conveyed to the postal authorities or courier service for transmission by airmail or special courier.

4.1.3 Any notice delivered personally or sent by facsimile, email shall be deemed to have been delivered on date of its dispatch.

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

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

## 5. Governing Law

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

## 6. Settlement of Disputes

6.1 The SAIL and the contractor shall first attempt to settle the dispute amicably.

### 6.2 Conciliation

6.2.1 The dispute or difference arising within the scope of contract shall be referred by either party to the contract for conciliation before resorting to Arbitration if the disputed amount is upto Rs.2 Crores. The disputed amount will be calculated by adding the amount of claim and counter-claim (if any) without interest.

Either party will refer the matter to the Chief Executive/ Head of Plant/Unit. Chief Executive will suggest 3 names to the parties. Party shall choose 1 name out of the said list. Chief Executive shall appoint such person as Sole Conciliator. Only on failure of conciliation, matter shall be referred to Arbitration or settled through Commercial/civil courts.

6.2.2 Conciliation shall be held by appointment of Sole Conciliator as aforesaid. The Fee payable to the Sole Conciliator shall be as follows to be borne by the party raising the dispute.



Sum in dispute	Fee
Upto Rs.5,00,000	Rs.25,000
Above Rs.5,00,000 and upto Rs.20,00,000	Rs.25,000 plus 2.0 percent of the claim amount over and above Rs.5,00,000
Above Rs.20,00,000 and upto Rs.1,00,00,000	Rs.55,000 plus 1.25 percent of the claim amount over and above Rs.20,00,000
Above Rs.1,00,00,000 and upto Rs.2,00,00,000	Rs.1,55,000 plus 0.5 percent of the claim amount over and above Rs.1,00,00,000

In case of counter claim by the other party, the fees shall be borne in proportion to the respective amounts in dispute. All other expenses shall be borne by parties in proportion to their claims.

In case of international contracts, where the payment to the party is to be made in foreign currency, and the party raises a dispute in foreign currency, the conversion rate to INR applicable for the purpose of calculation of fee will be rate prevailing on the date of filing the claim. The fee shall be payable in INR.

- 6.2.3 Where the disputed amount is between Rs.2 Crores to Rs.250 Crores, the Conciliation shall be held through SAIL's Scheme for Settlement of Contractual/Commercial Disputes through Mechanism of Outside Expert Committee (OEC).
- 6.2.4 The Venue of the Conciliation shall be the respective Plant/Unit to which the Contract pertains and the language of the Conciliation shall be the English. For convenience, if hearing(s) in Conciliation is/are fixed in any other location, the same shall not be construed as change in the venue/seat/place.
- 6.2.5 There shall be no conciliation in matters involving stake/claim/dispute of more than Rs.250 Crore. The party raising the dispute will be at liberty to approach the court of competent jurisdiction including Commercial Courts exercising territorial jurisdiction over the unit/plant to which the contract relates. The territorial jurisdiction shall be limited to those courts with jurisdictional reach over the Plant/Unit that has entered into the contract.

### 6.3 Arbitration (For disputed amount upto Rs.2 Crores).

- 6.3.1 Notwithstanding any forum/fora prescribed under any Act, or the Rules for resolution of disputes/differences, it is hereby expressly agreed by the parties including MSME Registered Parties that in the event of any dispute or difference arising under or within the scope of contract, the same shall be referred to the sole Arbitration of any person agreed on mutual consent of the parties.

Either party to the contract shall request Chief Executive/Head of the concerned Unit/Plant to which the dispute relates for appointment of Arbitrator. Chief Executive will suggest 3 names to the claimant who shall choose 1 name out of the said list. Chief Executive shall appoint the person so selected as the Sole Arbitrator.

If there is no agreement between the parties regarding Arbitrator for dispute upto Rs.2 crores, parties may resort for resolution of the dispute through Commercial Court (if there is no commercial court exercising jurisdiction over the Plant/Unit to which the contract pertains then through civil court exercising territorial jurisdiction over Plant/Unit to which the contract pertains). The disputed amount will be calculated by adding the amount of claim and counter-claim (if any) without interest.



- 6.3.2 The Party invoking arbitration shall make a written request to the effect to the Chief Executive of the Plant/Unit to which the Contract pertains, clearly mentioning therein the Contract No. and date along with the name of the work. A copy of such a letter shall also be sent by the Party invoking arbitration, to the Designated Officer/Project Manager.
- 6.3.3 No claim for any extra work or terms /issues beyond the scope of contract, claim for Liquidated Damages, damages ,compensation, remote loss, price escalation (excepting for price variation indicated in the contract) loss of profit, prolongation cost, depreciation of equipment, idle labour cost, administrative, office, guarding cost, time value of money, loss of opportunity or interest or cost shall be referred to Arbitration. The decision of Head of Project Department, of the unit/ plant on the issue of Liquidated Damages/ damages shall be final and binding on the parties.
- 6.3.4 It is further agreed as a term of this agreement that in the event the appointed Arbitrator to whom the dispute and differences has been originally referred resigns or becomes unwilling or is otherwise becoming unable to act or becomes incapable of acting as such, Chief Executive of the respective unit/plant shall be entitled to nominate on mutual consent any person afresh to act as Arbitrator in accordance with this Agreement and such Arbitrator shall proceed with the matter from the stage at which it was left by the previous Arbitrator.
- 6.3.5 Mere fact that the Arbitrator appointed was an ex-employee of SAIL shall not be construed that he is not independent or impartial.
- 6.3.6 Supply of materials, construction activities, erection, etc., or any work under the contract shall continue during the Arbitration proceedings and no payment due to or payable by the company or contractor shall be withheld on account of such proceedings. The parties shall continue to perform their contractual obligation.
- 6.3.7 The cost of the Arbitration Proceeding including the fee of the Arbitrator shall be borne by the party making the claim. For the purpose of computation of fee(s) of the Arbitrator, the claim amount shall be computed excluding interest claimed by the party(ies).
- 6.3.8 The fee for Arbitration shall be as per the Schedule-IV of Arbitration and Conciliation Act, 1996 as amended from time to time. However, the note to the 4<sup>th</sup> Schedule, prescribing additional amount to the Sole Arbitrator, shall not be applicable.
- In case of counter claim by the other party, the fees shall be borne in proportion to the amounts in dispute. All other expenses shall be borne by parties making the claim proportionately.
- In case of international contracts, where the payment to the party is to be made in foreign currency, and the party raises a dispute in foreign currency, the conversion rate to INR applicable for the purpose of calculation of fee will be rate prevailing on the date of filing the claim. The fee shall be payable in INR.
- 6.3.9 Parties agree that neither party shall be entitled for any pre reference or pendente-lite interest. No interest shall be paid on the Security Deposit.
- 6.3.10 The Arbitrator shall pass a reasoned Award within the scope of the contract.
- 6.3.11 The seat, place, venue of Arbitration is at the Unit / plant of SAIL awarding the contract. It is a term of this agreement that notwithstanding the manner in which the agreement has been reached, this agreement shall be deemed to have been formed entirely at the Unit /Plant awarding the contract irrespective of Head Office or Branch Office of SAIL. All kinds of Legal proceedings and all other laws governing this agreement and matter/disputes arising thereunder, shall be cognizable and triable exclusively by the principal Civil Court of the District /Commercial Court of original jurisdiction where the Unit/Plant awarding the contract is located.

- 6.3.12 The language of Arbitration shall be English. The substantive and procedural laws of India shall be applicable to the proceeding and matters arising there from.
- 6.3.13 The parties may agree to settle the dispute mutually and the Arbitrator shall keep the proceeding in abeyance till such time as requested by the parties. On successful completion of settlement, the parties shall sign the settlement agreement and the Arbitrator shall make an Award in terms of the settlement.
- 6.3.14 There shall be no Arbitration where the dispute is more than Rs.2 crores. The parties may settle the dispute, if any, through Commercial Court/Civil Court of competent jurisdiction exclusively exercising territorial jurisdiction over the unit/plant to which the contract pertains.
- 6.4 Settlement of Commercial Disputes between SAIL and another Central Public Sector Enterprise or SAIL and Govt. Department(s)/Organisation(s) including State Government shall be as per the prevailing guidelines of Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises (DPE) Government of India.

## **B. SUBJECT MATTER OF CONTRACT**

### **7. Scope of Facilities**

#### **7.1 Scope of Supplies and Services**

- 7.1.1 Unless otherwise expressly limited in the Technical Specifications, the Contractor's obligation cover design & engineering; civil engineering work; dismantling, if any, of existing building, structures & equipment; modification / diversion, if any, of utility / services; fabrication & supply of steel structures; manufacture (including associated purchases and / or sub-contracting) & supply of plant & equipment and refractories; Customs & Port clearances (excluding Customs Duty, and other taxes and duties payable on imported supplies on items for which prices are quoted in Foreign currency); inland transportation; intermediate storage; insurance & handling; erection work; testing; pre-commissioning; start-up & commissioning and demonstration & establishment of performance guarantee parameters of the Facilities as detailed hereafter, in accordance with the plans, specifications, drawings, codes and any other documents as specified in the Technical Specifications
- 7.1.2 The Contractor shall, unless specifically excluded in the Contract, perform all such work and / or supply all such items and materials not specifically mentioned in the Contract but that can be reasonably inferred from the Contract as being required for attaining Completion of the Facilities (within the Battery limits as defined in the Technical Specification) as if such work and / or items and materials were expressly mentioned in the Contract without any extra cost to Employer.
- 7.1.3 The Contractor shall furnish the items with its specifications & prices of spare parts required for the operation and maintenance of the Facilities for the period of two years.

#### **7.2 Design, Drawings & Technical Documents**

- 7.2.1 The Contractor shall be responsible for supply of all the design, drawings and technical documents & information in respect of the plant & equipment as per Appendix 2 to Contract Agreement & commissioning spares. The Contractor shall deliver the design, drawing (except manufacturing drawings of proprietary item, which will be finalized before opening of price bid/ start of RA) technical documents & information, to the Employer.

7.3 **Dismantling & Demolition of Existing Building, Structures, Plant & Equipment (As specified in Technical Specifications)**

The Contractor shall be responsible for carrying out dismantling / demolition of necessary existing buildings and structures including foundations, covered works and plant & equipment and stacking and expeditious removal of the debris to the dumping ground to be specified by the Employer within a distance of 10 km from the site.

7.4 **Supply of Plant & Equipment, Structures, Commissioning Spares, Operation & Maintenance Spares, Initial Fills & Lubricants and Special Tools & Tackles**

7.4.1 **Plant and Equipment**

The contractor shall be responsible for supply of plant & equipment as described in the Technical Specifications including General Technical Specification and Drawings/documents.

7.4.1.1 The Contractor shall furnish a copy of the unpriced Orders/ Contracts for all the boughtout items.

7.4.2 **Commissioning Spares**

7.4.2.1 The Contractor shall, within the Contract Price, supply adequate commissioning spares required during Start up and commissioning along with the plant & equipment mentioned in **Clause 7.4.1**, hereof. The contractor shall furnish a minimum list of commissioning spares within 180 days of signing of contract.

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

7.4.3 **Operation and Maintenance Spares**

7.4.3.1 For cases where 2 years Operation & Maintenance (O&M) spares is not part of the Contract price; The Contractor shall furnish list of spares required for the normal operation and maintenance of the Facilities, for a period of two years which will be required after commissioning. Price for such lists shall be submitted at least 6 months before the scheduled commissioning.

7.4.3.2 For cases where 2 years O&M spares is not part of the Contract price; A list of such operation & maintenance spares along with their itemised prices shall be furnished by the Contractor. The itemised prices of such spares shall be kept valid for a period of upto twelve months.

7.4.3.3 For both the cases of Contract Price with / without 2 years O&M spares; the list of spares along with itemised price shall include such details as:

- a) Item number of equipment in Contract.
- b) Designation.
- c) Number per item.
- d) Materials indicating chemical composition and physical properties like fits and tolerances, finishes, heat treatment, etc.

e) Manufacturing drawing number/ordering specification number/Vendor name & address.

f) Catalogue reference.

7.4.3.4 The Contractor shall supply complete ordering specification including manufacturing drawings with bill of materials, material specification & catalogues with reference details and list of suppliers shall also form part of such ordering specification. The manufacturing drawings of individual spares/components of proprietary nature are excluded from the scope under this Clause.

7.4.3.5 The Contractor shall undertake to supply operation & maintenance spares at reasonable price at any time later during the life of the Facilities on request from the Employer. In case during the life of the Facilities, any spare(s) becomes obsolete or goes out of Contractor's production programme, the Contractor shall serve prior written notice of not less than six months to the Employer to that effect and furnish detailed manufacturing drawings to the Employer for such spares, if not already furnished. Contractor shall also ensure that the Employer is in a position to procure such spares in sufficient quantities at reasonable prices before these become obsolete or go out of production programme as stated above.

#### 7.4.4 Initial Fill and Lubricants

7.4.4.1 The Contractor shall supply along with the Plant & Equipment the oils, grease & lubricants required for the initial fill including flushing liquor and also chemicals for pickling, etc., well in advance, for commissioning of the Plant & Equipment.

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

7.4.4.3 The Contractor shall be responsible for supply of adequate quantities of such oils, grease & lubricants as may be required for this purpose till commissioning as per **Clause 25** hereof.

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

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

#### 7.4.5 Special Tools & Tackles

The Contractor shall supply along with the Plant & Equipment special tools & tackles, instruments and appliances which will be required for erection, commissioning, operation and maintenance of the Facilities.

The Contractor shall provide ordering specification including the names of suppliers giving sufficient details to enable the Employer to procure such special tools, tackles, instruments and appliances, at a later date when necessary, after successful commissioning.

## 7.5 **Civil Engineering Work (As specified in Technical Specifications)**

- 7.5.1 Unless otherwise expressly limited and/or excluded elsewhere in the Contract from Contractor's scope, the Contractor shall be responsible for the construction of all civil foundation for structures and equipment, construction of super structures, buildings and all other connected civil construction works included in the scope of work as per Technical Specifications in accordance with **Sub-Clause 20.4** hereof.
- 7.5.2 It is presumed that the Contractor has already inspected the site and satisfied itself about the actual site conditions and has collected any other information which may be required by the Contractor. All necessary soil tests over and above those carried out by the Employer are to be undertaken by the Contractor and no extra claim on this account shall be admitted.
- 7.5.3 The Contractor shall be held responsible for proper performance for buildings and structures including all other civil work up to defect liability period as per clause **30.2**. Any defect found during this period will be made good by the Contractor at its own cost failing which the Employer reserves the right to take remedial measures at the Contractor's risk and cost.
- 7.5.4 All excavated materials shall remain the property of the Employer.
- 7.5.4.1 All fossils, coins, articles of value of antiquity and structure and other remains or things of geological and archaeological interest discovered on the site of works shall be the absolute property of the Employer and the Contractor shall take all precautions to prevent his workmen or any other person removing or damaging any such article or thing and shall immediately upon discovery thereof and before removal inform the Employer of such discovery and carry out the removal under the supervision of the Employer of the same and hand it over to the Employer.

## 7.6 **Scope of work for Erection of Structures, Plant & Equipment and Refractories**

- 7.6.1 The scope of work of the Contractor amongst others, shall be complete erection of the Plant and Equipment, steel structures, refractories, etc., as given in the Technical Specifications.
- 7.6.2 The Contractor shall intimate the Employer in writing well in advance about the requirement of shut down of any of the existing units / facilities for inter-connection / incorporation of additional facilities. The shutdown period shall be mutually discussed and finalised. The work to be undertaken during the shut down period shall be planned meticulously by the Contractor to reduce the shut down period to the minimum.
- 7.6.3 The Contractor shall use permanent pipe and clamps scaffolding for working at heights.

## 7.7 **Technical Services**

- 7.7.1 Technical Services to be provided by the Contractor shall include the following amongst others:
- Raw material testing, if necessary.
  - Basic design, layout, engineering & drawings.
  - Detailed design, layout, engineering & drawings.
  - Drawings / data for carrying out Plant Engineering and detailed design/drawings of civil, structural and services.

- e) Technical services relating to planning, procurement, manufacturing, inspection, expediting, packing, shipping, storage, etc.
- f) Supervision of civil & structural engineering work & erection work including specialised erection services.
- g) Technical consultation / liaison / guidance relating to detail design and plant engineering by Contractor's Sub-Contractors, Co-ordination relating to site work and other engineering work, feed back data and information to the Employer / Consultant for the Contractor's scope of supply and services.
- h) Project Management Services including co-ordination relating to customs clearance, transportation, insurance, claim settlement, inspection of supplies, construction planning and scheduling, erection planning, field construction engineering, trial runs, start up, commissioning and performance guarantee tests.
- i) Training of Employer's Personnel.
- j) Deputation of Foreign Experts for supervision of design and manufacture of Plant and Equipment as well as for supervision of erection, cold tests, commissioning, guarantee tests, etc.
- k) Quality control and adherence to time schedule, control of site work and other Indian works.
- l) Clearance of installations from the statutory and other concerned authorities on behalf of Employer. The Contractor shall also assist in preparing application forms, providing necessary drawings, documents, test certificates etc., including necessary co-ordination with statutory and other concerned authorities.
- m) Post Commissioning services in accordance with terms and conditions stipulated under the Contract, if so specified in **SCC**.

## 7.8 Training of Employer's Personnel

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

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

## 7.9 Deputation of Foreign Experts for Supervision of Erection, Commissioning & Performance Guarantee Tests.

7.9.1 The Contractor shall depute at site its Foreign Experts to supervise the erection, commissioning and conducting of performance guarantee tests of the Plant & Equipment with its auxiliaries as contracted herein so as to establish to the Employer that the guarantees as agreed by the Contractor in accordance with the **Appendix-5** of Contract Agreement, are fully met.

7.9.2 Bio-data of the Foreign Engineers / Experts shall be furnished by the Contractor to the Employer / Engineer / Consultant for approval



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

- 7.9.3 The Contractor further guarantees that, in case the number of mandays for foreign Experts actually utilised exceeds the quantum indicated in **Appendix-1** of the Contract Agreement, such additional Foreign Experts mandays shall be deputed by the Contractor for completing its scope of work, but no extra payment for deputing such extra mandays shall be payable by the Employer unless additional deputation is required for the reasons attributable to the employer.
- 7.9.4 If some of the Experts deputed for supervision of erection, commissioning and Performance Guarantee Tests are required by the Employer beyond the Final Acceptance of the Facilities (Post commissioning services) after fulfillment of all the Contractual obligations by the Contractor, the Contractor shall provide such services in accordance with the terms and rates stipulated in the Contract or to be mutually agreed upon between the Employer and the Contractor if not already provided for in the Contract.
- 7.9.5 All the facilities required by the Overseas Experts / Specialists, deputed for supervision of erection, commissioning, performance guarantee tests, etc., shall be provided by the Contractor to the Overseas Experts / Specialists.
- 7.9.6 In the event, Expert is not found of required skill / expertise, then the Employer will have the right to send the Expert back at the cost of the Contractor.
- 7.9.7 The Contractor shall bear and pay all the cost / expenses for deputation of foreign experts required as per Contract including all costs / expenses towards remuneration, air travels from their Country to India / at site and back to their country as well as any other places to be visited in connection with the supervision of design & manufacture of Plant & Equipment, surface travel, local transport, accommodations, food & incidentals, communication system, medical, insurance, personal Indian Income Tax, etc

#### 7.10 **Demonstration of Performance Guarantee**

- 7.10.1 The Contractor guarantees the equipment for its workmanship, materials, design and satisfactory performance in accordance with the relevant specifications & provisions of this Contract. The guarantee for performance includes individual items and systems for the ratings / output as well as for the integrated operation of the Plant. The Contractor's responsibility under this guarantee shall not in any way be reduced, diminished or absolved for any reason whatsoever in respect of supplies, materials and equipment not manufactured by the Contractor. The Contractor, upon successful commissioning of each equipment / system will conduct performance guarantee tests to demonstrate the integrated operation of all equipment / systems.
- 7.10.2 The details of the performance guarantee tests, test procedures, test schedules, for the demonstration of the performance guarantees shall be submitted to the Employer which will be mutually agreed upon. Any subsequent deviation / modification in the agreed schedule, if considered necessary, at a later date shall be mutually discussed and agreed upon.

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

7.10.4 The Contractor shall undertake to demonstrate the Performance Guarantee Tests and achieve the guaranteed production capacity in a sustained manner and also the other parameters as specified in **Appendix-5** of the Contract Agreement.

**7.11 Division of Scope of Facilities among members of Joint Venture or Consortium**

7.11.1 In case, the Contractor is a Joint Venture or Consortium of two or more firms, the division of Scope of Facilities indicated at **Sub-Clauses 7.2** to **7.10** hereof, shall be given by the Contractor.

**8. Time for Completion**

8.1 The Contractor shall attain Completion of the Facilities as defined at **Clause 1** hereof within the time stated in the **Article-5** of Contract Agreement or within such extended time to which the Contractor shall be entitled under **Clause 42** (Extension of Time for Completion) hereof.

**9. Contractor's Responsibilities**

9.1 The Contractor shall carryout Scope of Facilities as specified in **Clause-7** hereof including design & engineering; civil engineering work; dismantling, if any, of existing building, structures & equipment; modification / diversion, if any, of utility/ services; fabrication & supply of steel structures; manufacture (including associated purchases and / or sub-contracting) & supply of plant & equipment and refractories; Customs & Port clearances (excluding Customs Duty, and other taxes and duties payable on imported supplies on items for which prices are quoted in Foreign currency); inland transportation; intermediate storage; insurance & handling; erection work; testing; pre-commissioning; start-up & commissioning and demonstration & establishment of performance guarantee parameters of the Facilities with due care and diligence in accordance with the Contract.

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

9.3 The Contractor shall at its own expenses obtain all permits and licences from Indian and Foreign Government required for the performance of work under this Contract and the Contractor shall bear any fee payable to the Government or local licensing authority for obtaining permits and licences at their own cost (except where the Employer is statutorily required as per Indian laws, rules, statutory notifications to pay the fees and/or file applications for the permits/licences in which case the Contractor shall render assistance to the Employer). The Contractor shall perform the work in accordance with the conditions of all applicable permits and licence. The Contractor shall provide evidence of licence granted and any restriction contained therein.



The necessary documentation including drawings (input data and existing drawing required by the Contractor shall be provided by Employer), Statutory Fees for such permits, approvals and / or licenses payable by the Contractor, are included in the Contract Price.

The Contract Price shall also include all the costs towards drawings & documentation, third party inspection and Supervision, incidental expenses, liaison with Statutory Authority/State and Central Government/Local body.

- 9.4 The Contractor shall comply with the Indian Laws that may be in vogue as on Base Date of the Contract or may come into force during currency of the Contract, that binds upon the Contractor The Contractor shall indemnify and hold harmless the Employer from and against any and all liabilities, damages, claims, fines, penalties and expenses of whatever nature arising or resulting from the violation of such laws by the Contractor or its personnel, including the Sub-Contractors and their personnel.
- 9.5 The Contractor shall be responsible for safe custody of plant, equipment along with their own constructional equipment, tools, tackles, offices, gadgets, documents etc. by providing adequate watch and ward, safety and environment protection as required by complying the statutes and licenses etc.
- 9.6 Adequate training shall be provided to Employer personnel.

## 10. Employer's Responsibilities

- 10.1 The Employer shall ensure the accuracy of information and / or data to be supplied by the Employer, except when otherwise expressly stated in the Contract.
- 10.2 The Employer shall be responsible for acquiring and providing legal and physical possession of the Site and access thereto, and for providing possession of and access to all other areas reasonably required for the proper execution of the Contract, including all requisite rights of way. The Employer shall give full possession of and accord all rights of access thereto on or before the mutually agreed date(s).
- 10.3 If requested by the Contractor, the Employer shall use its best endeavors to assist the Contractor in obtaining in a timely and expeditious manner all permits, approvals and / or licenses necessary for the execution of the Contract from State or Central Government Authorities.
- 10.4 To the extent specified in the Contract or agreed upon by the Employer and the Contractor, the Employer shall provide to the Contractor sufficient, properly qualified operating & maintenance personnel; shall supply & make available all raw materials, & utilities, and shall perform all work and services of whatsoever nature, for properly carrying out pre-commissioning, commissioning and performance guarantee tests by the Contractor at or before the time specified in the Program of Performance hereof and in the manner thereupon specified or as otherwise agreed upon by the Employer and the Contractor.
- 10.5 The Employer shall be responsible for the continued operation of the Facilities after Commissioning and shall facilitate the Contractor in performing the Performance Guarantee Test(s) for the Facilities.
- 10.6 All costs and expenses involved in the performance of the obligations under this **Clause 10** hereof, shall be the responsibility of the Employer, save those to be incurred by the Contractor with respect to the performance of Performance Guarantee Tests.

## C. PAYMENT

### 11. Contract Price

11.1 The Contract Price as specified in **Article 2** (Contract Price and Terms of Payment) of the Contract Agreement shall be for the entire Scope of the Facilities including spares, oils, grease, lubricants, flushing liquor, chemicals for pickling etc required during Start up and Commissioning and scrap in any form generated inside the plant premises. The break-up of the Contract Price is given in the **Appendix-1** to the Contract Agreement.

#### 11.2. Price Basis

11.2.1 The Contract Price quoted in Indian Rupees shall comprise of basic price and all duties, taxes and levies, as may be applicable and prevailing on base date of the Contract. While the basic price will constitute the consideration under the Contract, the payment of GST thereon, will be reimbursed on actuals against documentary evidence.

11.2.2 The Contract Price does not include Customs Duty, and other applicable taxes & duties on imported supplies, if any, specified in the Contract, for which prices indicated in the Contract are in Foreign Currencies. However, Contract Price includes Customs Duty and other applicable taxes & duties on the imported plant & equipment for which prices indicated in the Contract are in Indian Rupees.

Customs Duty, and other applicable taxes & duties on imported supplies, if any, for replacement against short supply, damaged, defective items, of such imported Plant & Equipment for which prices indicated in the Contract are in Foreign Currencies shall be borne by the Contractor on Delivered Duty Paid (DDP) basis.

11.2.3 The Contract Price includes Income Tax payable in India but does not include IGST on imported services for which prices indicated in the Contract are in Foreign currencies.

11.2.4 The Contract Price includes price towards supervision by Foreign Experts for a number of mandays specified in **Appendix-1**. Should the actual mandays deployed is more than the number indicated in **Appendix-1**, the Employer shall not pay any extra price to the Contractor for extra mandays unless additional deputation is required for the reasons attributable to the employer.

11.2.5 The prices for imported supplies for which prices are quoted in foreign currency, are for delivery on CIF Port of discharge basis. However, the Contract price shall include Customs & Port clearances (excluding Customs Duty and applicable taxes & duties on imported supplies, if any) handling including loading & unloading, inland freight & insurance up to plant site for items for which prices are quoted in Foreign currencies. The prices for indigenous supplies for which prices are quoted in Indian Rupees, are for delivery at plant site basis.

11.2.6 Deleted

11.2.7 Raw Water & Electrical Power required for Construction & Erection Work at site, shall be supplied by the Employer free of cost as per **Sub-Clause 20.4.2 & 20.4.3** hereof. However, Electrical Power for fabrication work, if any, envisaged at site, shall be supplied metered & charged at the rates including applicable taxes & duties (if any), prevailing from time to time.

11.2.8 The Contractor shall use such items of steel as are made by Steel Authority of India Limited (SAIL) and which are required for execution of all civil and building structural work including sheeting and technological structures. Such items of steel as are made by SAIL and required for the work shall be procured from SAIL-Stockyards. To ensure availability of steel items required for the Facilities, the Contractor has to give at least three (3) months advance intimation of such requirement to the nearest Branch Sales Office, Project Manager and Pricing Manager CMO Head Quarters Kolkata. In case no communication on availability of Steel within the said period/ NOC is received within 4 weeks from SAIL, Contractor is free to go for procurement of steel from other integrated steel producers with intimation to the Project Manager.

### 11.3 Firm Contract Price

11.3.1 The Price for items for which the price indicated in the Contract is in Foreign currencies, shall be firm and not subject to any escalation, except in the event of a change in the scope of work or specification or as otherwise provided in the Contract. However, scope of work in pursuance of **Sub-Clause 7.1.2**, hereof, shall not be taken as change in the scope of work or specification.

11.3.2 The Price for items for which the price indicated in the Contract is in Indian Rupees, except as provided in the **Sub-Clause 11.3.3** hereof, shall be firm, not subject to any escalation except in the event of a change in the scope of work or specification or as otherwise provided in the Contract. However, scope of work in pursuance of **Sub-Clause 7.1.2**, hereof, shall not be taken as change in the scope of work or specification.

11.3.3 Where the contractual "Time for Completion" exceeds twelve (12) months, unless otherwise specifically indicated in the Contract, the Price for the following heads shall be subject to price adjustment due to variation in price indices as per **Appendix-4** (Price Adjustment due to variation in Price Indices):

- Supply of Indigenous Mechanical Plant & Equipment including Technological Structures.
- Supply of Indigenous Electrical Plant & Equipment including Automation Instrumentation & Telecommunications.
- Erection of Mechanical & Electrical Plant & Equipment including Technological Structures.
- Supply of Building Steel Structures & Sheeting.
- Supply of Refractories
- Erection of Building Steel Structures & Sheeting.
- Civil Engineering works including all necessary supplies.
- Erection of Refractories.
- 2 years O&M spares - for cases where 2 years O&M is included in the Contract Price.

### 11.4 Ceiling of Price Variation

11.4.1 The Price Variation (plus or minus) as per **Appendix-4** shall be subject to a ceiling amount of 15% of Basic Price for respective heads indicated in **Sub-Clause 11.3.3**.

Taxes as applicable on the escalation amount shall be paid extra

- 11.4.2 If on the specific request of Employer (as per Annexure-XII), Delivery of certain indigenous items of supply are deferred, then the price variation so admissible shall be as per clause 11.5.5.

In case of such deferment on supplies quoted in foreign currency, the price adjustment if any, shall be finalized mutually.

- 11.4.3 The statutory variation in Taxes, Duties being reimbursed at actuals as per **Sub-Clause 14.6** hereof, shall not be included in fifteen percent (15%) ceiling on Price Adjustment.

## 11.5 Validity of Price Variation

- 11.5.1 No price variation is applicable for contracts with contractual "Time for Completion" upto twelve (12) months.

- 11.5.2 When contractual "Time for Completion" of the Contract is upto twelve (12) months and if completion of Facilities is delayed beyond scheduled "Time for Completion as per Article-5 of Contract Agreement" due to reasons attributable to the Employer and extension to the "Time for Completion" is granted, the extent of price adjustment, if any, shall be allowed in the Contract Price, for the upward variations arising between the scheduled "Time for Completion" and "Extended Time for Completion" of the respective item of work of the Contract. In such cases the Base Indices shall be the Indices prevailing on the month of Scheduled Time for Completion.

- 11.5.3 When contractual "Time for Completion" of the Contract is for more than twelve (12) months, price adjustment shall be allowed in the Contract Price for the variations, as follows::

- 11.5.3.1 Price adjustment, if any, shall be allowed only for that 'part of the Facilities' which are executed within the scheduled Time for Completion as per Article-5 of Contract Agreement.

Price Variation shall be paid after completion of specific activity of work, if completed within the scheduled Time of Completion as per Article-5 of Contract Agreement. However lower of the indices (i.e actual date vs schedule date of completion) to be taken, as per clause no 11.5.3.2.

- 11.5.3.2 For the 'part of the facilities' executed within the scheduled 'Time for Completion' (as per sub-clause 1.1) but beyond scheduled period of completion of respective items of work as indicated in Appendix-2 of Contract Agreement, the price adjustment shall be calculated on the basis of the lower of the following two RBI Indices:

1) RBI Index as on the scheduled date of completion

(Appendix-2); or

2) RBI Index as on the Actual date of completion.

- 11.5.3.3 If completion of the Facilities is delayed beyond scheduled "Time for Completion, due to the reasons not attributable to the Employer, notwithstanding the extension to the "Time for Completion" is granted, no price adjustment shall be allowed in the Contract Price for the portion of work executed beyond scheduled "Time for Completion".

However, in case the RBI indices during the extended completion time are lower, the same will be applicable for calculating the price adjustment.

11.5.3.4 If completion of Facilities is delayed beyond scheduled “Time for Completion”, due to reasons attributable to the Employer and extension to the “Time for Completion” is granted, price adjustment, if any, shall be paid in the Contract Price, for the variations arising between the base date and actual date of completion of the respective item of work within the “Extended Time for Completion” of the Contract only after date of commissioning (as mentioned in commissioning certificate).

However, if the completion of facilities is delayed beyond scheduled “Time for Completion” due to reasons **attributable to both the parties**, then the period for delay attributable to the Employer will be considered as initial delay and the price adjustment shall be applicable during this period as well.”

Corresponding change in respective items of work as indicated in Appendix-2 of Contract Agreement shall be reworked and provided by the Employer.

- For the ‘part of the facilities’ executed within the extended period of completion of respective items of work as indicated in **reworked** Appendix-2 of Contract Agreement, the price adjustment shall be calculated on the basis RBI Index as on the Actual date of completion.
- For the ‘part of the facilities’ executed within the extended ‘Time for completion’ but beyond extended period of completion of respective items of work as indicated in **reworked** Appendix-2 of Contract Agreement, the price adjustment shall be calculated on the basis of the lower of the following two RBI Indices:
  - 1) RBI Index as on the extended date of completion (Appendix-2); or
  - 2) RBI Index as on the Actual date of completion.

11.5.4 The Contractor shall submit its first Statements for Price Adjustment, if any, after completion of six months from Effective Date of Contract with all break-up and supporting documents to justify Price Adjustment. Subsequent Price Adjustment Statements shall be submitted by the Contractor after every six months. The payable escalation amount shall be paid as per Payment Terms.

Hindrance Register as per **Annexure XIII**, shall be maintained regularly at the Site by the Employer, indicating the reasons for Hindrances.

The same shall be communicated to the Contractor on monthly basis, for obtaining their signature as per Annexure-XIII mentioned hereof.

There will be one Hindrance Register for one Package/Contract. The periodicity of maintenance shall be monthly.

11.5.5 If on the specific request of Employer, Delivery of certain indigenous items of supply are deferred, then the price variation shall be applicable for the deferred item(s) as well. The price variation shall be calculated in two stages as mentioned hereof:

- a) For price adjustment arising between base date of Contract and original schedule completion month of delivery of the specific item, the price variation admissible shall be within the ceiling of 15% price variation.

Further, The Price Adjustment will be calculated based on RBI index prevailing one month prior to end scheduled completion month of delivery (as per Annexure XII of GCC).

- b) For price adjustment arising between original schedule completion month of delivery of the specific item and the revised schedule completion month of delivery of that specific item (as per Annexure XII of GCC), the price variation admissible shall be beyond the ceiling of 15% price variation.

Further, The Price Adjustment will be calculated based on RBI index prevailing one month prior to the actual date of delivery or one month prior to end scheduled completion month of delivery (as per Annexure XII of GCC), whichever is lower.

In case of such deferment on supplies quoted in foreign currency, the price adjustment if any, shall be finalized mutually.

- 11.5.6 Price Variation for 2 years O&M spares (if part of Contract price) shall be governed in general by Clauses 11.3.3, 11.4 & 11.5.1-11.5.5 hereof.

## 11.6 Adjustment of Price for Weights and Physical Quantities of Work

- 11.6.1 The Contract is for Turnkey Completion of Scope of Facilities as specified in the **Clause 7** hereof & Technical Specifications. The physical quantities and weights as given in the contract/ billing schedule, are indicative only for the purpose of making progress payments on prorata basis as per **Clause 2.3** of **Appendix-3** of Contract Agreement.

For indigenous goods & services, should the actual quantities/ weights differ from the indicated ones, neither the Contractor shall be entitled to get any additional price from the Employer nor is the Employer entitled to deduct any amount from the Contract Price due to variation in physical quantities / weight.

Further, the payment for unexecuted indigenous goods & services, if any shall be made after issue of Performance Guarantee Certificate.

However, wherever the prices are quoted in foreign currency, value of unsupplied goods and unexecuted services shall not be paid.

## 11.7 Billing and Despatch Schedule

- 11.7.1 The Contractor within 90 (ninety) days of the Effective Date of the Contract shall submit detailed Billing Schedules (breakup of the Price Schedule contained in the **Appendix-1**) for the purpose of giving the value of Po for the consideration of Price Adjustment, if applicable, in accordance to the **Appendix-4** and release of progress payments in accordance to **Appendix-3**, which will be scrutinised and approved by the Employer. The detailed Billing Schedules shall be based on Time Schedule included in **Appendix-2** (Time Schedule) to the Contract Agreement and Network as per **Sub-Clause 18.1.1** hereof, for respective progress payment terms in accordance with **Clause 2.3** of **Appendix-3**.
- 11.7.2 Within 6 (six) months from the Effective Date of Contract, a detailed shipping schedule matching to billing schedule & **time schedule**, shall be submitted by the Contractor, indicating the break-up of the complete Plant & Equipment, structures and refractories into shipment units with approximate weights and dimensions and the respective dates upon which such units will be dispatched from the Contractor's and / or its



Sub-Contractor's works. The Contractor shall arrange for supplies of the Plant & Equipment, structures and refractories in the logical sequence required for erection at site within the overall Time for Completion of the Facilities unless otherwise agreed to by the Employer. The Contractor shall promptly give written notice to the Employer of any anticipated delay in maintaining such schedule stating reasons and remedial measures, thereof. This shall not, however, in any way absolve the Contractor from his responsibility of timely delivery of plant & equipment as per Contractual time schedule.

## 12. Terms of Payment

### 12.1 General

- 12.1.1 No advance will be provided to the Contractor, unless specified in IFB/BDS and the payments will be linked with the progress.
- 12.1.2 All payments shall be made as specified in **Appendix-3** (Terms of Payment), directly by the Employer to the Contractor unless otherwise provided in the Contract or agreed between the Parties.
- In case the Contractor is a Consortium of two or more parties as indicated in the **Sub-Clause 3.9** of GCC, the Employer shall make direct payment to all such parties on certification of the Leader.
- However, certification of the leader will not be required for each Invoice, provided the Leader of the consortium submits a general authorization document, authorizing the Employer to release payment to its consortium members directly.
- 12.1.3 If as per provisions of Contract any payment is made directly by the Employer to the Sub-Contractors, such payments shall constitute a proper discharge of Employer's obligations for such payments to the Contractor.
- 12.1.4 The payments will be made in the currencies quoted by the Contractor and included in the Contract unless otherwise agreed to between the Parties.
- 12.1.5 The Contractor shall furnish the detailed Billing Schedule as per **Sub-Clause 11.7.1** hereof, for each item under the scope of work of the Contract, for the approval of Employer, which after the approval only, will be the basis for submission of invoices for progress payments.
- 12.1.6 The Employer shall release the payment to the Contractor within thirty (30) days from the date of receipt of the complete and correct invoices & relevant documents. Further, updation of Hindrance Register to be ensured while processing any such Payment.
- 12.1.7 All interim / progress payments shall be regarded as payments by way of advance against the final payment only and not as payment for work completed and shall not preclude defective / imperfect / incomplete Facilities to be removed. It will not be considered as an admission by the Employer of the due performance of the Contract, or any part thereof by the Contractor nor shall it preclude, determine or affect in any way the powers of the Employer under these conditions or in any way vary or affect the Contract.

## 13. Securities

### 13.1 Issuance of Securities (Bank Guarantees)

- 13.1.1 The Contractor shall provide the Securities in the form of Bank Guarantees specified below in favour of the Employer at the times, and in the amount, manner and form specified below.
- 13.1.2 The Bank Guarantee shall be in the form provided in the **Annexure I to II** hereof or in another form acceptable to the Employer.
- 13.1.3 The Bank Guarantee for Indian Rupee payments shall be issued and be payable/operable by State Bank of India (SBI) or a Scheduled Commercial Bank in India at the place where designated Steel Plant/Unit is located. In case the Bank Guarantee is not payable/operable locally, then the Bank Guarantee for Indian Rupee payments shall be issued and be payable/operable by State Bank of India (SBI) or a Scheduled Commercial Bank in India located at either Delhi, Mumbai, Chennai, Kolkata, Hyderabad or Bangalore.
- 13.1.4 The Bank Guarantee for Foreign Currency payments shall be issued by Scheduled Commercial Bank based on counter Bank Guarantee to be issued by Overseas Bank acceptable to Scheduled Indian Bank and be payable by Scheduled Commercial Bank or State Bank of India (SBI), located at the place where designated Steel Plant/Unit is located or at Delhi, Mumbai, Chennai, Kolkata, Hyderabad or Bangalore..
- 13.1.5 In case the project gets delayed then the BG shall be extended by the contractor for such delayed period. However, if the delay is due to reasons not attributable to Contractor, the BG extension charges shall be reimbursed by the Employer.

### 13.2 Performance Bank Guarantee

- 13.2.1 The Contractor shall, within 30 (thirty) days after signing of Contract Agreement, provide a Bank Guarantee (as per Annexure-I hereof) for the due performance of the Contract in amount equivalent to 7.5% of the Contract Price (including taxes and duties as included in the Price Schedules) in the same currency or currencies. This should be valid up to defect Liability period or completion of PG test whichever is later. In case the contractor is a consortium, the Performance Bank Guarantee shall be submitted by Leader of Consortium or by each individual member of the Consortium in proportion to the price for their respective scope of work as per the Contract.

In case the contractor submits the foreign portion of the BG in Indian Rupees then the BG amount shall be 10% more than the equivalent Rupee value to take care of the exchange rate variation. The exchange rate (RBI reference rate) as applicable on the date of price bid opening/date of start of Reverse Auction will be considered for conversion.

In case of increase in Contract Price the Contractor has to submit PBG equivalent to 7.5% of the incremental Contract Price.

- 13.2.1.1 If the Contractor fails to provide the Performance Bank Guarantee, the Employer shall have the right to take risk purchase action including forfeiting the bid security, and get the Facilities executed by any other party at the risk and cost of the Contractor, after expiry of the notice for terminating the Contract for such default by the Contractor.



13.2.2 The Bank Guarantee shall automatically become null and void after twelve (12) months from the date of Commissioning mentioned in the Commissioning Certificate subject to fulfilment of its obligations for the performance of the Contract including the guarantees and warranty of the Facilities & the equipment supplied, provided, however, that if the Defects Liability Period has been extended on any part of the Facilities pursuant to **Sub-Clause 30** hereof, the Contractor shall issue an additional Bank Guarantee in an amount proportionate to the Price of that part. The Bank Guarantee shall be returned to the Contractor/Bank immediately after its expiration, provided, however, that if the Contractor, pursuant to **Sub-Clause 30.5** hereof, is liable for an extended warranty obligation, the performance Bank Guarantee shall be extended for the period of 12 months from date of its restoration and up to the amount equal to 10% value of the component / part / equipment.

**13.3 Bank Guarantee for release of payments towards Commissioning**

13.3.1 The Contractor shall provide Bank Guarantee (as per **Annexure-II** hereof) to the Employer for an amount equivalent to the payment under **Sub-Clause 25.4** hereof, in the same currency or currencies valid for a period of 12 months.

13.3.2 The Bank Guarantee shall be returned to the Contractor as soon as Commissioning Certificate has been issued, at the latest, however, on the expiry of 12 months from the date of release of payment against Bank Guarantee.

**13.4 Bank Guarantee for release of payments towards Performance Guarantee Certificate**

13.4.1 The Contractor shall provide Bank Guarantee (as per **Annexure-II** hereof) to the Employer for an amount equivalent to the payment under **Clause 27** hereof, in the same currency or currencies for a period of 12 months.

13.4.2 The Bank Guarantee shall be returned to the Contractor as soon as the Performance Guarantee Test is successfully completed and the guaranteed output and other parameters are met, at the latest, however, on expiry of 12 months from the date of release of payment against Commissioning Certificate.

**13.5 Bank Guarantee for release of payments towards Final Acceptance Certificate**

13.5.1 The Contractor shall provide Bank Guarantee (as per **Annexure-II** hereof) to the Employer for an amount equivalent to the payment under **Clause 28** hereof, in the same currency or currencies valid for a period of 12 months.

**13.6 Claims under Security (Bank Guarantee)**

If the Employer considers itself entitled to any claim under any Bank Guarantee, it shall so notify the Contractor, specifying the default of the Contractor upon which it bases its claim, and it shall require the Contractor to remedy the same. If the Contractor fails to remedy or to take steps to remedy the same within fourteen days of receipt of such notice, then the Employer shall be entitled to call Security.

The actual expenditure incurred by the Contractor for extension of BG/Additional Insurance Premium shall be reimbursed to the Contractor in case delay in completion of project is not attributable to the Contractor.

## 14. Taxes & Duties

14.1 Except as otherwise specifically provided in the Contract, the Contractor shall bear and pay all taxes, duties, levies and charges assessed on the Contractor, its Sub-Contractors or their employees by Municipal, State or Central Government Authorities.

However, subject to stipulations of the Contract, the payment of duties, taxes, levies, etc., will be reimbursed (on actual) against documentary evidence to be produced by the Contractor, subject to a ceiling indicated in price schedule(s) of the Contract. In no case the reimbursement towards duties and taxes, etc., shall exceed the amount indicated in price schedule(s) of the Contract towards duties, taxes, levies, etc. except on account of statutory variation in Taxes & Duties and / or imposition of new taxes and duties.

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

14.1.1 Deleted.

14.1.2 The Contractor shall bear and pay all the liabilities in respect of non-observance.

14.2 Notwithstanding Sub-Clause 14.1 hereof, the Employer shall bear and pay Customs Duty and other applicable taxes & duties on imported supplies, if any, on imported Plant & Equipment for which prices indicated in the Contract are in Foreign Currencies.

Customs Duty and other applicable taxes & duties on imported supplies, if any, for replacement against short supply, damaged, defective items, of such imported Plant & Equipment for which prices indicated in the Contract are in Foreign Currencies shall be borne by the Contractor on DDP basis.

14.2.1 The Contractor shall bear and pay Customs Duty and other applicable taxes & duties on imported supplies, if any, for which prices indicated in the Contract are in Indian Rupees.

14.3 Notwithstanding **Sub-Clause 14.1** here, the Employer shall bear and pay GST on reverse charge basis on imported services for which prices indicated in the Contract are in Foreign currencies, directly to the authorities. Income Tax on foreign services shall be withheld from the bills of the contractor at the appropriate rate and remitted to the Income Tax authorities. The Employer shall furnish a certificate of income tax withheld to the contractor.

14.3.1 The personnel Income Tax of Overseas Contractor's experts, if payable, shall be paid by the Overseas Contractor's experts directly and the Employer shall neither be liable to pay the Income Tax nor for filing the tax return for Overseas Contractor's experts.

14.3.2 The Employer will furnish to the Overseas Contractor, the original tax receipts in connection with payments made under the Contract.

14.4 Deleted

14.5 Deleted

### 14.6 Variations in Taxes & Duties

14.6.1 For the purpose of the Contract, it is agreed that the 'Contract Price' specified in **Article 2** ("Contract Price" & "Terms of Payment") of the Contract Agreement is based on the taxes, duties, levies etc. and charges prevailing on Base date (hereinafter called "**Tax**" in this **Sub-Clause 14.6** hereof). If any rate of tax is increased or decreased, a new tax is introduced, an existing tax is abolished, or any change in

interpretation or application of any tax occurs in the course of the performance of Contract, which was or will be assessed on the Contractor, Sub-Contractors or their employees in connection with performance of the Contract, an adjustment of the Contract Price shall be made as per **Sub-Clauses 14.6.2 & 14.6.3**, hereof, by addition to the Contract Price or deduction therefrom, as the case may be.

14.6.1.1 For taxes & duties on which input tax credit is available to the Employer, the adjustment in the Contract Price towards variations in taxes, imposition of new taxes or abrogation of existing taxes or any change in tax laws shall be applicable.

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

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

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

14.6.4 For the purpose of adjustment in the Contract Price towards variation in taxes, the Contract Price shall be the price including price adjustment due to variation in price indices, as payable in accordance with **Appendix-4**.

## 14.7 Goods & Service Tax

14.7.1 The amount of CGST, SGST and IGST quoted by the contractor (as per Price Tables) shall be interchangeable. Where input tax credit is available to the Employer, the amount of CGST, SGST or IGST shall be reimbursed in full without any limit. However, where input tax credit is not available to the employer, the total amount of GST reimbursed to the contractor shall not exceed the total of CGST, SGST and IGST quoted in the price tables, subject to 14.6.1.1. No reimbursement of GST shall be made where Contractor has indicated ITC amount and ITC is not actually available to Employer.

14.7.2 If reimbursement of GST has been made to the Contractor on the expectation that ITC shall be available, and subsequently ITC is denied in GSTN for reasons not attributable to the Employer, then the amount of GST disallowed for ITC shall be recovered from any subsequent bill of the Contractor or by way of encashment of PBG, if required.

14.7.3 If ITC has been availed by the Employer but is subsequently reversed due to reasons not attributable to the Employer, then the amount of GST along with interest and/or any penalty paid or payable by the Employer on such reversal shall be recovered from the Contractor from any subsequent bill of the Contractor or by way of encashment of PBG, if required.

14.7.4 In case, no Input Tax Credit has been indicated against a GST element in any Price Table, reimbursement of GST shall be restricted to the

amount indicated in the Price Table, unless otherwise admissible as per Clause 14.6 of GCC (Variation in Taxes and Duties).

- 14.7.5 TDS under GST laws, if applicable, shall be deducted from Contractor's bills at applicable rates and a certificate as per rules, for tax so deducted shall be issued to the Contractor
- 14.7.6 The Contractor shall be under obligation for charging correct rate of tax as prescribed under the respective GST tax laws. Further the Contractor shall avail and pass on benefits of all exemptions / concessions available under GST laws.
- 14.7.7 The Contractor shall be liable to get himself registered under GST with the respective tax authorities and to submit self-attested copy of such GST registration certificate(s) and the Contractor shall be responsible for procurement of goods / capital goods in its own registration (GSTIN) and also to issue its own Road Permit / E-way Bill, if applicable.
- 14.7.8 The Contractors shall maintain GST compliance at any given point of time.
- 14.7.9 The Contractor shall submit to the Employer GST compliant tax invoices / debit notes / revised tax invoices on the basis of which Employer will be able to claim Input Tax Credit as per GST laws.
- 14.7.10 Contractor shall attend to all issues on reconciliation of GST invoices, mismatch reports etc. to the satisfaction of the Employer
- 14.7.11 Address of the recipient under GST laws will be the address of "Project Manager" as mentioned in the Special Conditions of the Contract.
- 14.7.12 The contractor shall declare whether the services are being supplied fully or partly out of a Fixed Establishment as specified in the CGST Act. In case some or all the services are being supplied from a Fixed Establishment in India, the foreign contractor shall obtain registration under GST and shall raise GST invoices in INR corresponding to supplies being invoiced in foreign currency.

#### 14.8 **Income Tax**

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

Income Tax on foreign services shall be withheld from the bills of the contractor at the appropriate rate and remitted to the Income Tax authorities. The Employer shall furnish a certification of income tax withheld to the contractor.

If the foreign contractor declares having a Permanent Establishment in India, through which some or all the supplies and services are rendered, the contractor shall apply for and obtain the rate of tax deduction at source from the Income Tax Officer under section 197 of the Income Tax Act. In other cases, the rate at which Income Tax shall be withheld from the amounts payable to a foreign supplier shall be governed by Sec 195 of the Income Tax Act and the relevant Double Taxation Avoidance Agreement.

## D. CONFIDENTIAL INFORMATION

### 15. Copyright

15.1 The copyrights in all drawings, documents and other materials containing data and information including drawings/ordering specifications / catalogues for fast wearing parts furnished by the Contractor to the Employer shall remain vested in the Contractor; however the Employer shall have the right to use all such drawings, documents and other material, data and information for development of drawings, procurement of spares for operation and maintenance of the Facilities.

### 16. Confidential Information

16.1 The Employer and the Contractor shall keep confidential and shall not, without the written consent of the other party hereto, divulge to any third party any document, data or other information furnished directly or indirectly by the other party hereto in connection with the Contract, whether such information has been furnished prior to, during or following termination of the Contract. Notwithstanding the above, the Contractor may furnish to its Sub-Contractor(s) such documents, data & other information it receives from the Employer to the extent required for Sub-Contractor(s) to perform its work under the Contract, in which event the Contractor shall obtain from such Sub-Contractor(s) an undertaking of confidentiality similar to that imposed on the Contractor under this clause.

16.2 The Employer shall not use such documents, data and other information received from the Contractor for any purpose other than the operation and maintenance of the Facilities. Similarly, the Contractor shall not use such documents, data and other information received from the Employer for any purpose other than the design, procurement of Plant and Equipment, construction or such other work and services as are required for the performance of the Contract.

16.3 The obligation of a party under **Sub-Clauses 16.1 and 16.2** hereof, however, shall not apply to that information which

- a) now or hereafter enters the public domain through no fault of that party.
- b) can be proven to have been possessed by that party at the time of disclosure and which was not previously obtained, directly or indirectly, from the other party hereto.
- c) otherwise lawfully becomes available to that party from a third party that has no obligation of confidentiality.

16.4 The above provisions of this clause (**Clause 16** hereof) shall not in any way modify any undertaking of confidentiality given by either of the parties hereto prior to the date of the Contract in respect of the Facilities or any part thereof.

16.5 The provisions of this clause (Clause 16 hereof) shall be valid for 3 years from the date of commissioning/ termination of the contract.

## E. WORK EXECUTION

### 17. Representatives

#### 17.1 Project Manager

17.1.1 If the Project Manager is not named in the Contract, then within fourteen (14) days of the Effective Date, the Employer shall notify the Contractor in writing the name of the Project Manager. The Employer may from time

to time appoint some other person as the Project Manager in place of the person previously so appointed. The Project Manager shall represent and act for the Employer at all times during the currency of the Contract. All notices, instructions, orders, certificates, approvals and all other communications under the Contract shall be given by the Project Manager, except as herein otherwise provided..

## 17.2 Contractor's Representative

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

17.2.2 The Contractor shall not revoke the appointment of the Contractor's Representative without the Employer's prior written consent.

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

All notices, instructions, information and other communications given by the Contractor to the Employer under the Contract shall be given to the Project Manager, except as herein otherwise provided..

17.2.4 The Employer may by notice to the Contractor object to any representative or person employed by the Contractor in the execution of the Contract who, in the reasonable opinion of the Employer, may behave inappropriately, may be incompetent or negligent, or may commit a serious breach of the Site regulations provided under **Sub-Clause 22.3** hereof. The Contractor on receipt of such notice, shall remove such person from the Facilities. If any representative or person employed by the Contractor is removed in accordance with **Sub-Clause 17.2.4** hereof, the Contractor shall promptly appoint a replacement.

## 17.3 Co-operation with Other Contractors

17.3.1 The Contractor shall, upon written request from the Project Manager, provide all relevant technical information to the other Contractors employed by the Employer on or near the Site for any associated Plant & Equipment to enable the Employer to obtain the efficient & economical design of the associated Plant & Equipment.

If required by the Contractor, the other contractors of the Employer will enter into a confidentiality agreement to ensure the technical information is not unlawfully disclosed.

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

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



## 18. Work Program

### 18.1 Program of Performance

- 18.1.1 Within three (3) weeks after the effective date of signing the Contract Agreement, the Contractor shall prepare and submit to the Project Manager the Master Network (Hard & soft) for the performance of the Contract, showing the sequence in which it proposes to design, manufacture, transport, assemble, install and pre-commission the Facilities, as well as the date by which the Contractor reasonably requires that the Employer shall have fulfilled its obligations under the Contract as per **Clause 10** hereof, so as to enable the Contractor to execute the Contract in accordance with the programme and to achieve Acceptance of the Facilities in accordance with the Contract.
- 18.1.2 The Master Network so submitted by the Contractor shall accord with the Time Schedule included in **Appendix-2** (Time Schedule) to the Contract Agreement and any other dates and periods specified in the Contract.
- 18.1.3 The Project Manager shall approve the Master Network after scrutiny and discussions with the Contractor within one (1) week of submission of Master Network. The Contractor shall submit finalised Master Network in number of copies as required by the Employer.
- 18.1.4 Based on the finalised Master Network as per **Clause 18.1.3** hereof, the Contractor shall submit Detailed Works Programme (L-1 & L-2 Network) in the form of soft copy for each unit of the Facilities progressively within four (4) to eight (8) weeks from the Effective Date of the Contract. These Networks shall be approved by the Project Manager within three (3) weeks of the submission.
- 18.1.5 The Contractor shall update and revise the finalised Master Network and Detailed Works Programme as and when appropriate or when required by the Project Manager, but without modification in the Times for Completion given in the **Clause 1.1** of **Appendix-2** and any extension granted in accordance with **Clause 42** hereof, and shall submit all such revisions to the Project Manager.
- 18.1.6 The Contractor shall intimate the Employer / Project manager, in writing well in advance, about the requirement of shut down of any of the existing Units / facilities for inter-connection / incorporation of additional units / facilities. The shutdown period shall be mutually discussed and finalised. The work to be undertaken round the clock during the shut down period shall be planned meticulously by the Contractor to reduce the shut down period to the minimum.

### 18.2 Detailed Works Programme

- 18.2.1 The Detailed Works Programme shall be compiled utilizing project monitoring mechanism. Detailed Works Programme shall show or include, but not be limited to, the following:
- a) Time for Completion for each activity;
  - b) The order in which the Contractor intends to design and execute the Contract (including the anticipated timing of each stage of design, procurement, manufacture, inspection, delivery to Project Site, construction, erection, installation and testing) consistent with the Contractor's Obligations under the Contract;
  - c) Define in detail all of the Contractor's work on the Project Site, including the delivery, construction and/or installation, commissioning, testing and completion of Facilities;

- d) Details of any Temporary Works which, in the Contractor's opinion, are critical to the satisfactory completion of the Facilities;
  - e) The critical path(s) which shall be printed in colour unless otherwise agreed with the Project Manager;
  - f) A unique identification/ reference number and revision status, indicating clearly the changes incorporated therein; and
  - g) The detail of any Works Executed in that period of time between the Notification of Award and Effective Date of Contract.
- 18.2.2 Provided always that the Works Programme submitted in accordance with **Clause 18.1** shall be compiled to satisfy, without limitation, the following requirements :
- a) no activity shown on the Works Programme shall be longer than forty-five (45) days duration;
  - b) the Works Programme shall clearly identify all Milestone Events;
  - c) the Contractor shall incorporate activity codes and/or a Work Breakdown Structure in the Works Programme such that activities can be sorted and/or filtered by any or all of the following :
    - i) the whole of the Facilities;
    - ii) individual sections and interface areas;
    - iii) the various floor levels of the Facilities;
    - iv) the various areas within the Facilities as agreed with the Project Manager;
    - v) the various areas within the Project Site;
    - vi) various disciplines, including the design, manufacture, supply and installation of civil & structural works, electrical & mechanical works (further broken down into electrical, mechanical, plumbing and drainage etc.) finishes (further broken down into screeding, flooring and floor finishes, false ceilings, raised floors and painting) and special systems/ sub-systems;
    - vii) it shall be possible to clearly identify each phase of each activity or group of related activities from the design, procurement, installation, execution and testing and commissioning and trials stages.
- 18.2.3 The Contractor warrants that the Works Programme submitted in accordance with **Clause 18.1** shall be achievable and in compliance with the requirements of the Contract and that it shall permit effective monitoring of progress and allow reasonable periods of time for the provision of any information required from the Employer or the Employer's Representative or any third party.
- 18.2.4 The Works Programme shall be the programme submitted in accordance with **Clause 18.1** (including any programme resubmitted by the Contractor) that is endorsed.
- 18.2.5 The Contractor shall design and execute the Facilities regularly and diligently and in accordance with the Works Programme
- 18.2.6 If at any time the Contractor's actual progress falls behind the Program of Performance hereof, or it becomes apparent that it will so fall behind, the Contractor shall, at the request of the Project Manager, prepare and submit to the Engineer a revised program, taking into account the prevailing circumstances, and shall notify the Project



Manager of the steps being taken to expedite progress so as to attain Completion of the Facilities within the Time for Completion under **Sub-Clause 8.1** (Time for Completion) hereof, any extension thereof entitled under **Sub-Clause 42.1** (Extension of Time for Completion) hereof, or any extended period as may otherwise be agreed upon between the Employer and the Contractor.

- 18.2.7 Throughout the progress of the Works, the Contractor shall submit to the Employer's Representative monthly updates of the Works Programme and any documents which are included in or form part of the Works Programme. Each Works Programme shall show progress for the thirty (30) days immediately prior to the data date and proposed works for the sixty (60) days following the data date (the "data date" being the date on which progress is updated on the programme).
- 18.2.8 Throughout the progress of the Works, the Contractor shall submit to the Project Manager a Report in a format stipulated by the Project Manager:
- a) a summary weekly report on the progress of the Works in such detail and providing such information as required by the Project Manager or as otherwise directed from time to time by the Project Manager;
  - b) a detailed monthly report on the progress of the Works.
  - c) Employer shall arrange progress review meeting periodically (not exceeding 3 months) to monitor the progress of the work. It will be mandatory on the part of the Leader of the Consortium to attend such meetings with their Consortium Members.
- 18.2.9 The Contractor hereby acknowledges and accepts that any programme, monthly report, schedule, plan and daily report to be prepared in consultation with Project Manager and submitted, shall not constitute any of the notices which it is required to give under any provision of the Contract.
- 18.2.10 The Employer's Representative's comment or failure to comment upon any document submitted in accordance with this Clause 18.2 (Detailed Works Programme) signifies merely the understanding of the proposed order, sequence and method of working and shall not:
- a) relieve the Contractor of any of its obligations under the Contract;
  - b) create any obligation or liability on the part of the Employer; nor
  - c) establish the Detailed Works Programme or any programme as part of the Contract.
- 18.2.11 In addition to the reports required under this Clause 18.2 (Detailed Works Programme), the Contractor shall supply to the Project Manager at such times as the Project Manager may reasonably direct during the progress of the Works such further or special written particulars and information as are reasonably required by the Project Manager to enable proper and detailed progress records to be maintained in respect of the Works.
- 18.2.12 It shall be a condition precedent to any payment under the Contract that the programme submitted pursuant to **Clause 18.2** (Detailed Works Programme) and monthly updates of the same have been discussed with and endorsed by Project Manager.
- 18.3 Subject to the foregoing, unless expressly stipulated or described in the Contract, the choice of methods of working, construction methods and Temporary Works, programming the Works and deployment of the Contractor's Equipment and employees on the Project Site shall be the sole responsibility of the Contractor.

#### 18.4 **Work Procedures**

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

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

#### 18.5 **Manpower Requirement for Operation & Maintenance of Facilities**

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

#### 18.6 **Training**

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

18.6.2 The Contractor shall arrange for training of the personnel of the Employer, abroad / in India for the man-days indicated in Table-1 of **Appendix-1** of Contract Agreement.

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

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

### 19. **Subcontracting**

19.1 List of Approved Vendors (**Appendix-6**) forming a part of the Contract Agreement, specifies major items of supply or services and indicates name of approved Vendors against each item. Insofar as no Vendor is listed against any such item, the Contractor shall prepare a list of Vendors for such item for inclusion in approved list given in **Appendix-6** of the Contract Agreement.

Any change/ addition in the vendor list shall require prior approval of the employer.

The contractor may engage sub-contractors with the prior approval of employer as per stipulated procedures of the employer.

Such approval, by the Employer for any of the Sub-Contractors / Vendors shall not relieve the Contractor from any of its obligations, duties or responsibilities under the Contract.

19.2 On the request of the Contractor, the Employer may make direct payment in respect of equipment supply / work to the Sub-Contractor / Vendor on certification by the Contractor.

## 20. Design and Engineering

### 20.1 Specifications and Drawings

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

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

### 20.2 Codes and Standards

Wherever references are made in the Contract to codes and standards in accordance with which the Contract shall be executed, the edition or the revised version of such codes and standards current at the date of bid submission shall apply unless otherwise specified. During Contract execution, any changes in such codes and standards shall be applied after approval by the Project Manager / Consultant & shall be treated in accordance with **Clause 41** hereof.

### 20.3 Approval / Review of Technical Documents by Project Manager / Consultant

20.3.1 The Contractor shall prepare (or cause its Subcontractors to prepare) and furnish to the Project Manager/ Consultant the drawings / documents listed at **Sub-Clause 2.2** of **Appendix-2** to the Contract Agreement for approval or review as specified and in accordance with the requirements of **Sub-Clause 18.1** (Program of Performance) hereof.

20.3.2 Any part of the Facilities covered by or related to the drawings / documents to be approved by the Project Manager / Consultant shall be executed only after the Project Manager / Consultant's approval thereof.

20.3.3 **Sub-Clauses 20.3.5 through 20.3.9** hereof, shall apply to those drawings/ documents requiring the Project Manager / Consultant's approval, but not to those furnished to the Project Manager / Consultant for its reference only. However, any comments made on the reference drawing will be suitably incorporated / modified and re-submitted.

20.3.4 To enable the Employer to accord approval and to review documents the Contractor shall submit back-up data / drawings / basic calculations / assumptions as may be required by the Employer / Consultant except for proprietary items.

20.3.5 Drawings shall be submitted progressively. In order to expedite the approval of drawings, engineering meeting shall be routinely held with the Contractor for clearing of drawings and sorting out issues, if any. These meetings are to be held during the entire engineering phase of a project.

20.3.6 The Contractor shall submit 2 hard copies of the drawing to the consultant and 3 hard copies to the Employer for approval in accordance with Sub-Clause 20.3.1 to 20.3.3 hereof. Within fourteen (14) days after receipt by the Project Manager / Consultant of any drawings / document, the comments of consultant along with the comments from employer shall be incorporated in the hard copy and necessary stamping shall be done by the consultant. Scanned copy of the stamped drawing shall then be mailed to the Contractor by the consultant. Within seven (7)

days after receipt of the scanned copy of the drawings from consultant through e-mail, the Contractor shall take out 5 prints of the same and out of these, 4 hard copies shall be sent to the employer and one hard copy shall be sent to the consultant.

In case, the drawing is not approved, the Contractor shall prepare the revised drawing, after suitably incorporating the comments given by employer/ consultant, and submit the same for approval, in 2 hard copies of the drawing to the consultant and 3 hard copies to the employer for scrutiny within 10 days from the receipt of scanned copies from the Consultant. The above process shall be continued till the drawing is approved. Normally, the Project Manager/Consultant will not give any new comment on the revised drawing, wherein all comments have been incorporated by the Contractor in the revised drawing.

After approval and stamping, the consultant shall send the scanned copy of the approved drawing to the Contractor by e-mail. Within seven (7) days after receipt of the scanned copy of the drawing from consultant through e-mail, the Contractor shall take out 5 prints of the same and out of these, 4 hard copies shall be sent to the employer and 1 hard copy shall be sent to the consultant.

20.3.7 The Project Manager / Consultant shall not disapprove any drawing / document, except on the grounds that the drawing / document does not comply with some specified provision of the Contract or that it is contrary to good engineering practice.

The Project Manager/ Consultant shall not disapprove any drawing / document without giving sufficient reasons.

20.3.8 The Project Manager / Consultant's approval, with or without modification of the document furnished by the Contractor, shall not relieve the Contractor of any responsibility or liability imposed upon it by any provisions of the Contract.

20.3.9 The Contractor shall not depart from any approved drawing / document unless the Contractor has first submitted to the Project Manager / Consultant an amended drawing / document and obtained the Project Manager / Consultant's approval thereof, pursuant to the provisions of this **Sub-Clause 20.3** hereof.

20.3.10 Soft copies (2 sets) on appropriate and protected media of all "As-Built" drawings (full set of drawings as per the approved drawing list) and manufacturing drawings of critical parts, spares and fast wearing parts shall be supplied by the Contractor along with 5 copies of drawings & documents as per Sub-Clause 2.4 of Appendix-2 after completion of Performance Guarantee test

In this regard, the Contractor shall submit mutually agreed As-built drawings & documents after Commissioning Test, but before release of payment for Commissioning Certificate. However, in case any further changes are done in the Facilities during PG test which shall necessitate changes in already submitted As built drawings & documents, such changed As built drawings & documents along with balance As built drawings and documents shall be submitted by the Contractor after issue of PG test certificate

## 20.4 Civil Engineering Work

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

20.4.1.1 The Contractor shall make its own arrangement for all labour, construction, tools & tackles & construction materials. All

temporary approach roads to the site for carrying out construction work shall be constructed and maintained by the Contractor at its own cost.

- 20.4.1.2 The Contractor shall make arrangement at its own cost for drawing and distributing water and power from a single point each, where water and power will be provided by the Employer. The Contractor should have adequate water storage capacity to meet its requirements.
- 20.4.1.3 The Contractor shall take all necessary precautions to avoid damage to any property of the Employer or any third party. The Contractor shall also ensure that the progress of work of other Contractors in the adjoining areas is not hindered.
- 20.4.1.4 Subject to provisions of Clause 22.6.8, the Contractor shall take all precautions during execution, especially while excavating to avoid interference with or damage to underground works, such as cables, pipe lines, drains, etc. and provide all possible protection to these works and in case they are damaged, rebuild / divert them at its own cost.
- 20.4.1.5 The Contractor shall carry out, at its own cost, necessary precision survey to set out and check the setting of all works including foundation & anchor bolts, etc., to the required tolerances using the grid reference points available in the plant site.
- 20.4.1.6 Materials brought to the site shall not be removed from the site without the written consent of the Employer. The Contractor shall submit well in advance for approval of all samples, specimens as the Employer may demand from time to time. Any material brought to site and rejected by the Employer shall be removed by the Contractor from the site of work immediately.
- 20.4.1.7 The Employer may during the progress of work, order the removal of part or whole of the work executed, found not in accordance with the approved drawings / specifications / written instructions. No extra claims shall be entertained for removal & re-execution of such work.
- 20.4.1.8 No work shall be covered up or put out of view without the clearance of the Employer. In the event of failing to do so, the Contractor shall uncover any part of the work or make openings in or through the works as the Employer may direct and they shall be made good with materials approved by the Employer and should match with workmanship of the surrounding work.
- 20.4.1.9 The Contractor shall provide sufficient strong and stable stagings so as to ensure safety of the labour & structures.
- 20.4.1.10 The Contractor shall dismantle and remove the stagings and other temporary facilities like stores, offices, labour camp, etc., on completion of work, clear and clean the site where such temporary facilities were built and restore the same to original condition.
- 20.4.1.11 After completion of work, the Contractor shall carry out microlevelling of the site within battery limit ensuring proper grades and slopes to achieve efficient drainage of the site. The Contractor shall remove all debris, surplus earth, etc., and dump the same at place(s) as directed by the Employer within a distance of 10 km from the site.

#### 20.4.1.12

- a) The cost of testing of concrete and any other material, shall be borne by the Contractor.
- b) The Contractor shall install its own testing facilities at site for testing of construction materials like cement, aggregates, concrete cubes, soil etc.
- c) Testing shall be carried out by the Contractor in the presence of Employer's representative. However, the Contractor shall arrange for such testing, in case of exigencies on the Employer's instructions, at any other testing laboratory as approved by the Employer without any extra cost to the Employer. All test results shall be submitted by the Contractor to the Employer for his approval.
- d) Any special measures or techniques which may be necessary for construction of structures, e.g., dewatering, sheet piling, diaphragm walls, well sinking, well point system, continuous pouring of concrete, etc., shall be deemed to have been taken into account by the Contractor and no extra claim, whatsoever, shall be entertained.

20.4.1.13 In respect of any portion of works which is to be embedded or covered up by other works, the Contractor shall submit them to Employer for technical inspection and have the necessary clearance certificates duly signed by the Employer and Contractor before letting such portion to be embedded or covered.

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

#### 20.4.2 **Construction Water**

20.4.2.1 Construction & Drinking water shall be supplied free of cost by the Employer to the Contractor at a single point within a distance of 300 m from the battery limit. The Contractor shall make its own arrangements to lay and maintain necessary distribution lines, valves, etc., from this point at its own cost.

20.4.2.2 The Contractor shall be responsible to store water in sufficient quantities to meet its requirements and ensure that there is no wastage of water. Quantum of supply will depend on availability and no claim for shortfall shall be allowed by the Employer.

#### 20.4.3 **Construction Power**

20.4.3.1 Subject to availability, the Employer will supply power in bulk at one point within 300 meters of battery limit, for construction & erection free of charge. The Contractor shall make its own arrangements to lay and maintain necessary distribution lines and wiring at its own cost. The Employer shall not, however, guarantee the supply of electricity nor have any liability in respect thereof. No claim for compensation for any failure or short supply of electricity will be admissible.



Electrical power for fabrication work, if any, envisaged at site shall be supplied, metered and charged at the rate including applicable taxes & duties (if any), prevailing from time to time.

20.4.3.2 The Contractor shall ensure that the electrical equipment employed by the Contractor will be such that the aggregate power factor does not fall below 0.8 at the Employer's terminal point.

20.4.3.3 The electrical installations for construction power shall conform to applicable Central/ State Electricity Act, Rules & Regulation etc.

20.4.3.4 The Contractor will employ Electricians having valid Electrical Licence for carrying out the installations as well as for maintenance.

20.4.3.5 The Contractor shall be responsible for all damages, losses, etc., if it is due to the Contractors negligence, improper installation, operation and/ or maintenance of Contractors part of installations.

#### 20.4.4 **Structural Load Test**

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

#### 20.4.5 **Royalties for the Construction Materials**

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

#### 20.4.6 **Explosives**

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

## 21. **Procurement**

### 21.1 **Plant & Equipment, Structures, Refractories, etc.**

21.1.1 The Contractor shall not carry out fabrication work at Employer's site without necessary prior approval from the Employer.

### 21.2 **Import Licence & Export Licence**

#### 21.2.1 **Import Licence**

In case of requirement of any import license, the same shall be arranged by the Employer and the Contractor shall provide necessary assistance.

#### 21.2.2 **Export Licence**

The Contractor, if required for execution of Contract, shall obtain and maintain the necessary Export Licence from the competent authorities and shall pay at his cost any fee connected therewith. Failure to obtain and maintain Export Licences shall not be considered as Force Majeure.

### 21.3 Packing

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

21.3.2 All packing materials and other similar materials shall be new and same will be the property of the Employer.

21.3.3 Notwithstanding anything stated in this clause, the Contractor shall be entirely responsible for loss, damage or depreciation or deterioration to the materials & supplies due to faulty and / or insecure packing.

### 21.4 Transportation

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

#### 21.4.1 Transportation by Ship/ Air

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

21.4.1.2 The Bills of Lading should be drawn so as to show:

SHIPPERS Any shipping agency of international repute

CONSIGNEE Steel Authority of India Limited

*Designated* Steel Plant (ref. 1.1 of **SCC**).

PORT OF DISCHARGE - [**Contractor to indicate**]

21.4.1.3 The Contractor shall forward the non-negotiable copies of the shipping documents to the employer immediately after shipment of each consignment.

#### 21.4.2 Transportation by Wagons

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

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

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

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

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

v) The destination shall be indicated in SCC.

21.4.2.2 The RR / Challans duly endorsed by the Project Manager or Authorised representative of the Employer, will be handed over to the Contractor for taking delivery of consignments from Railway unloading the same from wagons and subsequent handling, transportation and storage at site after submission of custody-cum-indemnity bond in the form provided at



**Annexure-III** or in another form acceptable to the Employer. The demurrage charges, if any, will be payable by the Contractor.

21.4.2.3 The consignee for rail despatches shall be clearly marked as *Designated* Steel Plant (ref. 1.1 of **SCC**), Steel Authority of India Limited.

#### 21.4.3 **Transportation by Road**

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

- i Identify and obtain the correct type of trucks / trailers, keeping in view the nature of consignments to be despatched.
- ii Care being taken to avoid all possible chances of damages during transit to ensure that all packages are firmly secured.
- iii All consignments despatched by road shall be on “Door Delivery” and freight paid basis.

21.4.3.2 The LR / Challans duly endorsed by the Project Manager or Authorised representative of the Employer, will be handed over to the Contractor for taking delivery of consignments from Trucks, unloading the same from Trucks and subsequent handling, transportation & storage at site after submission of Custody-cum-Indemnity Bond in the form provided at **Annexure-III** or in another form acceptable to the Employer. The demurrage charges, if any, will be payable by the Contractor.

21.4.3.3 The consignee for road despatches shall be clearly marked as Designated Steel Plant (ref. 1.1 of **SCC**), Steel Authority of India Limited.

E-way bill as per GST Law for inland transit shall be arranged by the contractor.

#### 21.4.4 **Shipping Documents for imported Plant & Equipment, Structures, Refractories, etc.**

21.4.4.1 The Overseas associates of the Contractor shall send the following shipping documents through Banks to the Employer:

- a) Three (3) original and 3 (three) copies of clean Bill of Lading or one (1) clean Airway Bill / House Airway Bill & 3 (three) copies, in case of air freight.
- b) One (1) original & three (3) copies of Contractor's signed Invoices.
- c) Four (4) copies of Packing List.
- d) Four (4) copies of Certificate of Country of Origin.
- e) Four (4) copies of Inspection Certificate/ **Despatch Clearance Certificate** issued by the Project Manager / Employer's Authorised Representative
- f) Four (4) copies of certificate from the Contractor to the effect that drawings and catalogues for Customs clearance purpose have been kept with the packages for shipment.
- g) Four (4) copies of Manufacturer's Guarantee / Warranty / Quality Test Certificate.

- h) Proof of Insurance.
- i) Four (4) copies of Certificate from the Overseas Contractor to the effect that the contents in each case are not less than that entered in the Invoices and Packing Lists and the Quality are guaranteed as new and as per the relevant Technical Specifications.
- 21.4.4.2 The Overseas associates of the Contractor shall send the documents as listed above, in one set, to the Employer at the address given in the **SCC** and Letter of Credit.
- 21.4.4.3 The Contractor shall send the following documents with the cargo:
- Quality Certificate (one copy)
  - Packing List six (6) copies comprises two (2) copies in case No. 1 of each consignment and four (4) copies in each case (three inside the Box and one copy in a special packet at the outer side of the Box).
- 21.4.5 **Despatch Documents for Transportation of Plant & Equipment, Structures, Refractories, etc. by Wagon & Road**
- 21.4.5.1 The Contractor shall arrange to despatch the following documents to the Employer at the address given in the SCC.
- a) Four (4) photo copies of the clean rail / lorry receipt.
  - b) Four (4) copies of Contractor's signed invoice.
  - c) Four (4) copies of Challan and Packing List.
  - d) Four (4) copies of Inspection Certificate/ Inspection Waiver Certificate and Despatch Clearance Certificate issued by the Project Manager / Employer's Authorised Representative
  - e) Four (4) copies of manufacturer's test certificate.
- 21.5 The Contractor shall be responsible for obtaining, if necessary, approvals from the authorities for transportation of the Plant and Equipment. The Employer shall use its best endeavors in a timely and expeditious manner to assist the Contractor in obtaining such approvals, if requested by the Contractor. The Contractor shall indemnify and hold harmless the Employer from and against any claim for damage to roads, bridges or any other traffic facilities that may be caused by the transport of the Plant and Equipment to the Site.
- 21.6 **Customs Clearance**
- 21.6.1 The original shipping documents shall be handed over to the Contractor by the Employer within 10 working days of receipt of correct documents in Employer's Bank for Port clearance and Customs clearance and taking delivery of consignments from Port, subsequent handling, transportation and storage at site, against submission of the Custody-cum-Indemnity Bond for full value of supplies in the form provided at Annexure-III.
- 21.6.2 The Employer shall make payment of Customs Duty and any other taxes & duties payable on imported supplies as per the prevailing rules or any notification issued by Custom Authorities with respect thereto, within two (2) working days of Contractor's request along with assessed Bill of Entry. Payment will be made through Electronic Fund Transfer Mechanism.

21.6.3 For the demurrage / Port charges, if any, on account of the delay in Custom/ Port clearance, the party responsible for such delay shall bear the charges.

21.6.4 The Contractor shall assist in registration of the Contract under Project Import Regulations with Customs Authorities

## 21.7 Processing/ Assembly

21.7.1 Some imported equipment/components under this Contract included in the scope of Foreign Contractor (for which prices are quoted in Foreign Currency) as listed in Annexure hereto may be required by other Indian Consortium Member for further processing/ assembly. The Indian Contractor (Consortium member) shall clear such equipment/ components from Indian port and shall arrange to despatch them to Plant premises. Further, transportation from Plant under job work to other Consortium Member shall be allowed after giving a Indemnity Bond / Bank Guarantee (as per clause 21.7.3) for the landed cost of such imported equipment/ components to indemnify the Employer. These equipment/ components shall be considered as free supply by Employer. The Consortium member receiving the equipment/ components for further processing/ assembly, shall raise GST Invoice as per the Contract for their part of supply / service and Employer shall avail necessary Input Tax credit on the same.

21.7.2 Some equipment/components under this Contract included in the scope of Indian Contractor (for which prices are quoted in Indian Rupees) as listed in Annexure hereto may be required by other Indian Consortium Member for further processing/assembly. These equipment/components shall be directly dispatched by the concerned Contractor to the other Consortium Member.

21.7.3 Any item/ part of the existing equipment required to be taken out of plant premises for job work shall be issued to the Contractor on submission of Bank Guarantee for equal value of the item/ part as per Annexure-XI. The value of the item of the part shall be indicated by Employer. The Bank Guarantee shall be issued and payable at Place, where site is located or 'at Delhi, Mumbai, Chennai, Kolkata, Hyderabad or Bangalore' and shall be kept initially valid for a suitable period to be mutually agreed. However, in case value of such items is less than 20% of the respective Performance Bank Guarantee, no additional Bank Guarantee is required to be submitted and the materials can be taken out against Indemnity Bond.

21.7.4 After job work as referred at 21.7.1, the items/ parts shall be returned immediately but not later than the period allowed under GST Act (at present 3 years from the date of removal in case of Capital Goods). The scrap if any, generated during job work shall be the property of the Contractor.

## 22. Installation

### 22.1 Setting out

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

22.2 **Contractor's Supervision:** The Contractor shall give or provide all necessary superintendence during the installation of the Facilities, and the Contractor's Representative(s) shall be constantly on the Site to provide full-time superintendence of the installation. The Contractor shall provide and employ only technical personnel who are skilled and experienced in their respective

discipline and supervisory staff who are competent to adequately supervise the work at hand.

### 22.3 Labour

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

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

#### 22.3.3 Labour Rules

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

#### 22.3.3.2 Reporting of Accidents

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

#### 22.3.3.3 Preservation of Peace

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

#### 22.3.3.4 Use of Intoxicants

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

#### 22.3.3.5 Observance by Sub-Contractors

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

#### 22.3.4 Contract Labour Rules

22.3.4.1 The Contractor will get himself registered with the concerned statutory authorities as provided in the Act and shall be directly responsible to the authorities for compliance with the provisions thereof and SAIL – Designated Steel Plant shall have no relation of Employer and Employee for contractual worker / labour.

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

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

#### 22.3.5 Compliance with Statutory Laws and Other Regulations of Govt. / Local Authority

All statutory / labour rules of Govt./local authorities as applicable at, Steel Plant site shall be strictly followed by Contractor. Contractor shall indemnify Employer against any such implication.

The Statutory laws shall inter alia include the following:

- a) Employee Provident Fund & Misc. Provision Act, 1952.
- b) Contract Labour Act (Regulation and Abolition Act, 1970
- c) Minimum Wages Act, 1948
- d) Payment of Wages Act, 1936
- e) Factories Act, 1948 / Building and Other Construction Workers (BOWC) and Cess Act, 1996
- f) Family Pension Act, 1952
- g) ESI Act / Workmen Compensation Act, 1923
- h) Shops & Establishments Act
- i) Any other statutory Act relevant to in this regard

#### 22.4 Contractor's Equipment

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

#### 22.5 Site Regulations and Safety

22.5.1 The Contractor shall comply with the Site regulations, during the execution of the Contract at the Site, as given under the Chapter "Safety in Contract Works" (IPSS in Steel Industry).

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

22.5.2.1 Preparation of gate pass normally takes around 10 days time. The Contractor / Sub-Contractor shall plan their programme in advance accordingly.

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

## 22.6 Erection

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

22.6.2 The Contractor shall return to the Employer all crates, packing cases and packing materials and all returnable supplies at a place and manner designated by the Employer.

22.6.3 The Contractor shall provide erection consumables like oxygen and acetylene gas, welding rods, solder lugs, oil, grease, kerosene, cotton waste, etc., required for erection of plant equipment and steel structures.

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

22.6.4.1 Land will be allotted free of charge for the purpose of site office & stores

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

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

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

22.6.6 All guarantees and test certificates obtained by the Contractor during the execution of work shall be transferred to the Employer before issue of Preliminary Acceptance Certificate.

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

22.6.8 The Contractor shall be responsible for protection and / or diversion of underground and all existing overground services, wherever required and / or diversion of the underground services which are indicated in the drawing made available to the Contractor. In case there are underground services which need to be protected and / or diverted but are not shown in the drawing, the Contractor shall be responsible to



execute the same at extra price, if any, to be mutually agreed between Contractor & Employer.

## 22.7 **Emergency Work**

If, by reason of an emergency arising in connection with and during the execution of the Contract, any protective or remedial work is necessary as a matter of urgency to prevent damage to the Facilities, the Contractor shall immediately carry out such work. If the Contractor is unable or unwilling to do such work immediately, the Employer may do or cause such work to be done as the Employer may determine that it is necessary in order to prevent damage to the Facilities.

In such event the Employer shall, as soon as practicable after the occurrence of any such emergency, notify the Contractor in writing of such emergency, the work done and the reasons therefor. If the work done or caused to be done by the Employer is work that the Contractor was liable to do at its own expense under the Contract, the reasonable costs incurred by the Employer in connection therewith shall be paid by the Contractor to the Employer. Otherwise, the cost of such remedial work shall be borne by the Employer.

## 22.8 **Site Clearance**

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

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

## 22.9 **Lighting, Fencing and Watching**

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

## 22.10 **Work at Night and on Holidays**

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

## 23. **Test and Inspection**

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

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

- 23.2 The Project Manager or his designated representative(s) shall be entitled to attend the aforesaid test and / or inspection, provided that the Employer shall bear costs and expenses incurred in connection with such attendance including, but not limited to, all travelling and board and lodging expenses.
- 23.3 Whenever the Contractor is ready to carry out any such test and / or inspection, the Contractor shall give a fourteen (14) days advance notice of such test and / or inspection and of the place and time thereof to the Project Manager alongwith relevant test certificates. The Contractor shall obtain from any relevant third party or manufacturer any necessary permission or consent to enable the Project Manager or his designated representative(s) to attend the test and / or inspection.
- 23.4 The Contractor shall provide the Project Manager with a certified report of the results of any such test and / or inspection.
- If the Project Manager or his designated representative(s) fails to attend the test and / or inspection within 14 days, or if it is agreed between the parties that such persons shall not do so, then the Contractor may proceed with the test and / or inspection in the absence of such persons, and will provide the Project Manager with a certified report of the results thereof, based on which the employer will issue the dispatch clearance.
- 23.5 If any Plant and Equipment or any part of the Facilities fails to pass any test and / or inspection, the Contractor shall either rectify or replace such Plant and Equipment or part of the Facilities and shall repeat the test and / or inspection upon giving a notice under **Sub-Clause 23.3** hereof.
- 23.6 The Contractor shall afford the Project Manager, at the Employer's expense, access at any reasonable time to any place where the Plant and Equipment are being manufactured or the Facilities are being installed to inspect the progress and the manner of manufacture or installation, provided that the Project Manager shall give the Contractor a reasonable prior notice.
- 23.7 No equipment/material shall be dispatched without inspection as per approved quality assurance plan (QAP) unless waived/ dispatch clearance issued by the Employer. Inspection may be carried out by Employer's authorized representative/third party agency (to be appointed by Employer).
- Inspection/ Inspection Waiver and Dispatch Clearance Certificates so issued shall form the part of valid documents for claiming progress payments by the Contractor.
- 23.8 The execution of a test and / or inspection of Plant and Equipment or any part of the Facilities, or the attendance by the Employer or the Project Manager, or the issue of any test certificate or waiver certificate pursuant to **Sub-Clause 23.4** hereof, shall not **relieve** the Contractor from any of its responsibilities under the Contract.

## 24. Preliminary Acceptance

- 24.1 On completion of erection of the Facilities by the Contractor, trial runs for individual equipment / units shall be conducted by the Contractor to prove that the Facilities have been supplied and erected as per Contract and after erection, Facilities are fit for start up and commissioning.
- Trial runs shall be so designed to conduct the systematic check of the components and of the functional operation thereof. Trial runs shall comprise idle, no-load and part-load trial runs, as applicable.
- Trial runs shall be conducted by the Contractor under its sole responsibility and employing its own personnel. The Employer's supervisory personnel and



operating personnel shall, however, witness the trial runs who will be trained for operation & maintenance of the Facilities..

On successful completion of trial runs and liquidation of the defects and / or deficiencies, indicated / listed by the Employer to the Contractor during trial runs (except minor defects and / or deficiencies which in the opinion of the Employer will not affect the operation, safety & commissioning of the Facilities), the Contractor shall so notify the Employer in writing for conducting integrated trial runs.

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

24.3 As mutually agreed between the Contractor and the Employer after the operating personnel have been deployed by the Employer and raw materials, utilities & services have been provided by the Employer in accordance with **Sub-Clause 24.2** hereof, the Contractor shall conduct Pre-Commissioning including integrated trial runs of the Facilities, in preparation for Commissioning.

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

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

24.5 The Project Manager shall, within seven (7) days after receipt of the Contractor's notice either issue a Preliminary Acceptance Certificate (PAC) stating that the Facilities are fit for start-up and commissioning, as at the date of the Contractor's notice or notify the Contractor in writing of any defects and / or deficiencies.

If the Project Manager notifies the Contractor of any defects and / or deficiencies, the Contractor shall then correct such defects and / or deficiencies, and shall repeat the procedure described in **Sub-Clause 24.4** hereof.

If the Project Manager is satisfied that the defects and / or deficiencies, indicated / listed by the Employer to the Contractor have been liquidated and the Facilities are fit for start-up and commissioning, the Project Manager shall, within seven (7) days after receipt of the Contractor's notice, issue a Preliminary Acceptance Certificate stating that the Facilities are fit for start-up and commissioning, as at the date of the Contractor's repeated notice.

If the Project Manager is not so satisfied, then the Employer shall notify the Contractor in writing of any defects and / or deficiencies within seven (7) days after receipt of the Contractor's repeated notice, and the above procedure shall be repeated.

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

## 25. Commissioning

25.1 After the issue of Preliminary Acceptance Certificates, the Contractor shall start-up and commission the Facilities in accordance with provisions and terms of Contract Technical specification.

The Employer shall provide the operating and maintenance personnel and all raw materials, utilities & services required for commissioning. The contractor

shall supply the commissioning spares and oil, grease, lubricants & chemical etc. required for commissioning as per **Clause 7.4.2 & 7.4.4** hereof.

For cases where 2 years O&M is included in the Contract Price, the contractor shall supply the items listed as 2 years Operation & Maintenance (O&M) spares, in technical specifications before commissioning, as per clause 7.4.3. These spares shall be supplied to Plant Stores. Packaging for these spares shall be done separately.

- 25.2 The Contractor shall conduct commissioning test as specified in Technical Specifications or establish seventy five percent (75)% of the guaranteed production capacity for a continuous period of 168 hours.
- 25.3 The Commissioning Certificate shall be issued by the Employer subject to the following:
- Commissioning test as per sub-clause 25.2 has been successfully completed and the quality of materials produced and other parameters are as per Technical Specifications.
  - The Contractor to the satisfaction of the Employer, has met all the objections / observations, if any, contained in the Preliminary Acceptance Certificate.
  - Submission of all mutually agreed as built drawing and documents for respective facilities after commissioning test as mentioned at 'a' hereof.

Upon fulfillment of above conditions, the Employer shall, within seven (7) days, issue the Commissioning certificate.

- 25.4 In the event of delay in conducting the commissioning test for reasons attributable to the Employer for more than **60 (sixty)** days after issue of PAC, the Contractor shall receive payment towards commissioning against Bank Guarantee of equal value valid for 12 months.

In case of delay beyond six months for conducting the commissioning test for reasons attributable to the Employer, the conducting of commissioning test and its commercial implication, if any, shall be mutually finalized between the parties.

## 26. Taking Over

- 26.1 Taking over of the Plant will be carried out from the **mentioned in the commissioning certificate**. After the taking over, the Employer shall provide consumables and shall be responsible for the care & custody of the Facilities together with the risk of loss or damage thereto.
- 26.2 The Employer shall have the right to take possession or use any completed or partially completed work. Such possession or use shall not be deemed to be an acceptance of any work done not in accordance with the Contract. However, any damage to such work solely due to such provision or use shall be to the Employer's account.

## 27. Performance Guarantee Test

- 27.1 The Contractor shall guarantee that during the performance guarantee test, the Facilities and all parts thereof shall attain the performance guarantee parameters specified in **Appendix-5** to the Contract Agreement, subject to and upon the conditions specified therein.

On successful completion of PG Test or acceptance of PG Test with liability of LD as mentioned in Appendix-5 to Contract Agreement, the Employer shall, within seven (7) days, issue a PG Test certificate.

- 27.2 If, for reasons attributable to the contractor the performance guarantee parameters specified in **Appendix-5** to the Contract Agreement, are not met either in whole or in part, the Contractor shall at its cost and expense make such changes, modifications and / or additions to the Facilities or any part thereof as may be necessary to meet performance guarantee parameters. The Contractor shall notify the Employer upon completion of the necessary changes, modifications and / or additions, and shall request the Employer to allow the Contractor to repeat the performance guarantee test so as to establish the performance guarantee parameters.
- 27.3 If, for reasons attributable to the contractor, the performance guarantee parameters specified in **Appendix-5** to the Contract Agreement are not attained either in whole or in part, after first campaign of performance guarantee test as per **Sub-Clause 27.2** hereof, the Contractor shall at its own cost make good any deficiencies and the Contractor shall be allowed by the Employer to repeat the performance guarantee tests twice after first campaign of guarantee test and the Contractor must establish the performance guarantee parameters.
- 27.4 In case the Contractor expresses its inability to achieve the performance guarantee parameters but attains above the minimum acceptance level of performance guarantee parameters, as specified in **Appendix-5** to the Contract Agreement, either in whole or in part in spite of repeated performance guarantee tests conducted by the Contractor, the Employer shall recover the amount of Liquidated Damages, along with GST but not by way of penalty, by making deductions from the Contractor's account or as a last resort by encashment of Contractor's Bank Guarantee(s) at the rate specified in **Appendix-5** to the Contract Agreement for the respective items, subject to a maximum of seven and half percent (7.5%) of the Contract Price (excluding price of 2 years O&M spares) plus escalation, if any, excluding taxes and duties, in respect of the failure to meet the minimum level of performance guarantees in accordance with the provisions in **Appendix-5** to Contract Agreement.
- The Employer shall not reject the plant & equipment after commissioning and achievement of minimum acceptance level of performance guarantee parameters. After successful commissioning and achievement of the minimum acceptance level of performance guarantee parameters, the total liability of the contractor on account of delay and demonstration of maximum PG parameters shall not be more than Liquidated Damages.
- In case, even after all possible repairs and replacements the Contractor fails to attain the minimum level of performance guarantee parameters, the Employer may reject the Facility and recover the entire cost paid to the Contractor or alternatively the Employer may proceed for commercial settlement with the Contractor for acceptance of the Facilities at the negotiated Price.
- 27.4.1 In case, the Contractor is a Consortium, the Employer shall recover the amount of Liquidated Damages, along with GST but not by way of penalty, by making deductions from the account of each member of Consortium, or by encashment of their Bank Guarantees, subject to a maximum of seven and half percent (7.5%) of the Contract Price (excluding price of 2 years O&M spares) plus escalation, if any, excluding taxes and duties of the respective Scope of Facilities. However, each member of Consortium, will be liable for damages in the ratio of the respective Contract price (excluding price of 2 years O&M spares).
- 27.5 In case, the performance guarantee test has not been carried out for reasons attributable to the Employer within a period of six month from the date of commissioning mentioned in Commissioning Certificate, the Contractor shall receive payment towards Performance Guarantee, against Bank Guarantee of equal value to be valid for a period of 12 (twelve) months beyond aforesaid six

(6) months period and conducting of the Performance Guarantee Tests and its commercial implications, if any, shall be mutually finalized between the parties.

27.6 In case Bank Guarantee is submitted as per **Sub-Clause 27.5** hereof, by the Contractor then the same shall be returned to the Contractor as soon as the performance guarantee test is successfully completed and the guaranteed output and other parameters are met, at the latest, however, on expiry of twelve (12) months from the date of release of payment against Commissioning Certificate.

## 28. Final Acceptance

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

- a) the performance guarantee tests have been successfully completed or the amount of Liquidated Damages, if recoverable, has been recovered by the Employer from the Contractor.
- b) The Contractor has submitted all final drawings & documents for the respective Facilities in accordance with the provisions of this Contract as given in **Appendix-2**.
- c) the Contractor has fulfilled all the obligations under the Contract.
- d) No dues certificate from Industrial Relation and Central Industrial Security Force.

28.2 At any time after the events set out in **Sub-Clause 28.1** hereof, have occurred, the Contractor may give a notice to the Project Manager requesting for the issue of Final Acceptance Certificate (FAC) in respect of the Facilities specified in such notice as at the date of such notice.

28.3 The Project Manager shall, within seven (7) days after receipt of the Contractor's notice, issue a Final Acceptance Certificate.

28.4 In case Final Acceptance Certificate is not issued, Payment for Final Acceptance may be released against BG of equal value valid for 12 months after fulfillment of clause-28.1 a & b.

## F. GUARANTEES AND LIABILITIES

### 29. Completion Time Guarantee

29.1 The Contractor guarantees that it shall attain "Completion of the Facilities" as defined in Clause 1, within the Time for Completion as specified in the **Article-5** of the Contract Agreement or within such extended time to which the Contractor shall be entitled under **Clause 42** hereof.

#### 29.2 Liquidated Damages due to Delay in "Completion of the Facilities"

29.2.1 If the Contractor fails to attain "Completion of the Facilities" as defined in **Clause 1** hereof, within the Time for Completion or any extension thereof under **Clause 42** hereof, due to reasons attributable to the Contractor, the Employer shall recover the amount of Liquidated Damages, along with GST but not by way of penalty, by making deductions from the Contractor's account or by encashment of Contractor's Bank Guarantees at the rate of 0.5% of the Contract Price (excluding price of 2 years O&M spares) plus escalation, if any, excluding taxes & duties per complete week of delay up to a maximum

of 5% of the Contract Price (excluding price of 2 years O&M spares) plus escalation, if any, excluding taxes & duties.

- 29.2.2 In case, the Contractor is a Consortium, the Employer shall recover the amount of Liquidated Damages along with GST, but not by way of penalty, by making deductions from the account of each member of Consortium, or as a last resort by encashment of their Bank Guarantees hereof, up to a maximum of 5% of the Contract Price (excluding price of 2 years O&M spares) plus escalation, if any, excluding taxes & duties of the respective Scope of Facilities. However, each member of Consortium, will be liable for damages in the ratio of the respective Contract price (excluding price of 2 years O&M spares).
- 29.2.3 Such payment shall completely satisfy the Contractor's obligation to attain Completion of the Facilities within the Time for Completion or any extension thereof under **Clause 42** hereof.
- 29.2.4 However, the payment of liquidated damages shall not in any way relieve the Contractor from any of its obligations to complete the Facilities or from any other obligations and liabilities of the Contractor under the Contract.
- 29.2.5 Save for Liquidated Damages payable under this **Sub-Clause 29.2** hereof, the failure by the Contractor to attain any milestone or other act, matter or thing by any date specified in **Appendix-2** (Time Schedule) to the Contract Agreement and / or other program of work prepared pursuant to **Clause 18** (Program of Performance) hereof, shall not render the Contractor liable for any loss or damage thereby suffered by the Employer.

29.3 The aggregate ceiling on Liquidated damages due to delay in completion of facilities and for non-fulfillment of Performance Guarantee parameters in accordance with the Contract shall be limited to 10% (ten percent) of the Contract Price plus escalation, if any, excluding taxes & duties.

29.4 Any recovery of Liquidated damages shall be effected from the amount payable to the Contractor against Performance Guarantee Test, balance Price escalation bills beyond schedule completion, Final Acceptance Certificate, Performance Bank Guarantee or any other dues. Liquidated Damages will not be recovered from the running bills prior to above payments.

#### 29.5 **Bonus for Completion of the Facilities before Time Schedule**

If the Contractor attains Completion of the Facilities before the Time for Completion or any extension thereof under **Clause 42** hereof, the Employer shall pay to the Contractor a bonus at the rate of 0.5% of the Contract Price plus escalation, if any, excluding taxes and duties per complete fortnight ahead of Time Schedule up to a maximum of 2.5% of the Contract Price plus escalation, if any, excluding taxes and duties.

#### 29.6 **Liquidated Damages due to Delay in Supply of 2 years O&M Spares**

If the Contractor fails to supply specific/ individual O&M spares within the contractual delivery schedule or any extension thereof (i.e. before Commissioning of the facilities), due to reasons attributable to the Contractor, the Employer shall recover the amount of Liquidated Damages along with applicable GST, but not by way of penalty, by making deductions from the Contractor's account, at the rate of 1% of the Price of specific/ individual O&M spare, payable to the Contractor, excluding taxes and duties per complete week of delay up to a maximum of 5% of the Price of specific/ individual O&M spare, payable to the Contractor excluding taxes and duties, as specified in the Clause 29.2 of GCC.

In case, the Contractor is a Consortium, the Employer shall recover the amount of Liquidated Damages along with applicable GST, but not by way of penalty, by making deductions from the account of each member of Consortium, up to a maximum of 5% of the Price of specific/ individual O&M spare of the respective Scope of supply, payable to the Contractor, excluding taxes and duties.

Any recovery of Liquidated damages shall be effected from pro-rata basis amount (i.e. from Ninety percent (90%) of the Price of specific O&M spare) payable to the Contractor upon completion of supplies of O&M spares on pro-rata basis.

### **30. Defect Liability**

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

30.2 The Defect Liability Period shall be twelve (12) months from the date of commissioning mentioned in the Commissioning Certificate/ date of taking over as per clause no.26 or eighteen (18) months from the date of Preliminary Acceptance Certificate (PAC), whichever is earlier, provided the delay in commissioning after PAC is not due to reasons attributable to the Contractor.

If during the Defect Liability Period any defect be found in the design, engineering, materials and workmanship or of the work executed by the Contractor, the Contractor shall promptly, in consultation and agreement with the Employer and at its cost, repair, replace or otherwise make good such defect as well as any damage to the Facilities caused by such defect.

The Contractor may, with the consent of the Employer and after submission of Bank Guarantee as per Annexure-XI for the equivalent cost of Plant & Equipment, remove from the Site any Plant and Equipment or any part of the Facilities that are defective if the nature of the defect, and / or any damage to the Facilities caused by the defect, is such that repairs cannot be expeditiously carried out at the Site. However, in case value of such items is less than 20% of the performance bank guarantee, no additional bank guarantee is required to be submitted and the material can be taken out against indemnity bond submitted by the Contractor(s). In case of defective parts not repairable at Site but become essential in the mean time for the commercial use of the plant, the Contractor shall replace at Site free of cost to the Employer, the defective parts, before the defective parts are removed from the Site

30.3 If the repair, replacement or making good is of such a character that it may affect the efficiency of the Facilities or any part thereof, the Employer may give to the Contractor a notice requiring that tests of the defective part of the Facilities shall be made by the Contractor immediately upon completion of such remedial work, whereupon the Contractor shall carry out such tests.

If such part fails the tests, the Contractor shall carry out further repair, replacement or making good (as the case may be) until that part of the Facilities passes such tests. The tests shall be agreed upon by the Employer and the Contractor.

If the Contractor does not commence the rectification either by repair or replacement of such defects within 30 (thirty) days from the date of notice by the Employer or does not complete the rectification with reasonable diligence and within a reasonable time, the Employer may, at its option, rectify the defects at the Contractor's expense. The Employer shall, in such case, deduct from payment due to the Contractor the expenses incurred by the Employer for remedy of such defects without prejudice to the other rights of the Employer under the Contract.



- 30.4 If the Facilities or any part thereof cannot be used by reason of such defect and / or making good of such defect, the Defect Liability Period of the Facilities or such part, as the case may be, shall be extended by a period equal to the period during which the Facilities or such part cannot be used by the Employer because of any of the aforesaid reasons.
- 30.5 In addition, the Contractor shall also provide an extended warranty for any such replaced or repaired component of the Facilities for the period of minimum 12 months but not more than 24 months cumulatively or as it may be stipulated in Contract Technical Specifications. Such obligation shall be in addition to the defect liability specified under **Clause 30** hereof.

### **31. Patent Indemnity**

- 31.1 The Contractor shall, subject to the Employer's compliance with **Sub-Clause 31.2** hereof, indemnify and hold harmless the Employer and its employees and officers from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of whatsoever nature, including attorney's fees and expenses, which the Employer may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright or other intellectual property right registered or otherwise existing by reason of the installation of the Facilities by the Contractor.

Such indemnity shall not cover any use of the Facilities or any part thereof other than for the purpose indicated by or to be reasonably inferred from the Contract, any infringement resulting from the use of the Facilities or any part thereof, or any products produced thereby in association or combination with any other equipment, plant or materials not supplied by the Contractor, pursuant to the Contract Agreement.

- 31.2 If any proceedings are brought or any claim is made against the Employer arising out of the matters referred to in **Sub-Clause 31.1** hereof, the Employer shall promptly give the Contractor a notice thereof, and the Contractor may at its own expense and in the Employer's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim.

If the Contractor fails to notify the Employer within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Employer shall be free to conduct the same on its own behalf at the risk & cost of the Contractor.

The Employer shall, at the Contractor's request, afford all available assistance to the Contractor in conducting such proceedings or claim, and shall be reimbursed by the Contractor for all expenses incurred in so doing.

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

## 32. Limitation of Liability

- 32.1 Except in cases of criminal negligence or willful misconduct,
- a) the Contractor and Employer shall not be liable to the Employer and Contractor respectively, whether in Contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs and
  - b) the aggregate liability of the Contractor to the Employer, whether under the Contract, in tort or otherwise including the cost of repairing or replacing defective equipment, shall not exceed the 100 % (Hundred Percent) of the Contract Price plus escalation, provided that this limitation shall not apply to any obligation of the Contractor to indemnify the Employer with respect to copyright, patent infringement, workman compensation.
- 32.2 The liability of the Employer to the Contractor in any event, shall not exceed 100% of the Contract Price.
- 32.3 No claim shall be allowed for any extra work or terms /issues beyond the scope of contract, claim for Liquidated Damages, damages, compensation, remote loss, price escalation (excepting for price variation indicated in the contract) loss of profit, prolongation cost, depreciation of equipment, idle labour cost, administrative, office, guarding cost, time value of money, loss of opportunity or interest or cost. Further, the decision of Head of Project Department, of the unit/ plant on the issue of Liquidated Damages/ damages shall be final and binding on the parties.

## G. RISK DISTRIBUTION

### 33. Transfer of Ownership

- 33.1 The title of ownership of Imported plant & equipment, structures, refractories, tools & tackles, first fill of lubricants and all other goods (including spare parts) whose prices in the Contract are indicated in Foreign Currency, shall be transferred to the Employer after loading on FOB port of shipment basis as per Incoterms, 2010 with amendments if any w.r.t. FOB terms.
- 33.2 The title of ownership and property for indigenous Plant & Equipment, Structures, Refractories, spares, tools & tackles, first fill of lubricants, etc. shall pass on to the Employer after the Contractors have effected the despatch of same to the Employer and the Contractors have prepared necessary documentation for handing over the same to Employer's authorised representative.
- 33.3 The property of Plant & Equipment, Structures, Refractories, spares, tools & tackles, first fill of lubricants, etc. issued to the Contractors under Bailee Agreement / Bond is vested with the Employer all the time till erection, commissioning and completion of Performance Guarantee Tests as per the terms and conditions of the Contract.
- 33.4 The transfer of title to ownership for the steel structural work (fabricated at site) including glazing & sheeting, civil construction work and refractory work under this Contract shall pass on to the Employer on its accretion and release of payment.
- 33.5 Notwithstanding the transfer of ownership of the Plant and Equipment, the responsibility for care and custody thereof together with the risk of loss or damage thereto shall remain with the Contractor pursuant to **Clause 34** (Care of Facilities) hereof, until Commissioning of the Facilities in which such Plant & Equipment, Structures and Refractories are incorporated.



### 34. Care of Facilities

- 34.1 The Contractor shall be responsible for the care and custody of the Facilities or any part thereof until the date of commissioning and shall make good at its own cost any loss or damage that may occur to the Facilities or the relevant part thereof from any cause whatsoever during such period. The Contractor shall also be responsible for any loss or damage to the Facilities caused by the Contractor or its Sub-Contractors in the course of any work carried out, pursuant to **Clause 30** (Defect Liability) hereof. Notwithstanding the foregoing, the Contractor shall not be liable for any loss or damage to the Facilities or that part thereof caused by reason of any of the matters specified or referred to in paragraphs (a) & (b) of **Sub-Clause 34.2** & **Sub-Clause 40.1** hereof.
- 34.2 If any loss or damage occurs to the Facilities or any part thereof by reason of :
- a) any use or occupation by the Employer or any third party (other than a Sub-Contractor) authorised by the Employer.
- b) any use of or reliance upon any design, data or specification provided by or on behalf of the Employer, or any such matter for which the Contractor has disclaimed responsibility herein,
- the Employer shall pay to the Contractor all sums payable in respect of the Facilities executed, notwithstanding that the same be lost, destroyed or damaged. If the Employer requests the Contractor in writing to make good any loss or damage to the Facilities thereby occasioned, the Contractor shall make good the same at the cost of the Employer in accordance with **Clause 41** (Change in the Facilities). The Employer shall either request a change in accordance with **Clause 41** (Change in the Facilities) hereof, excluding the performance of that part of the Facilities thereby lost, destroyed or damaged, or, where the loss or damage affects a substantial part of the Facilities, the Employer shall terminate the Contract pursuant to **Sub-Clause 44.1** (Termination for Employer's Convenience) hereof, except that the Contractor shall have no entitlement to profit in respect of any unexecuted Facilities as at the date of termination.
- 34.3 With respect to any loss or damage caused to the Facilities or any part thereof by reason of any of the matters specified in **Sub-Clause 40.1** hereof, the provisions of **Sub-Clause 40.3** hereof, shall apply.

### 35. Loss of or Damage to Property; Accident or Injury to Workers; Indemnification

- 35.1 Subject to **Sub-Clause 35.2** hereof, the Contractor shall indemnify and hold harmless the Employer and its employees from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of whatsoever nature, including attorney's fees and expenses, in respect of the death or injury of any person or loss of or damage to any property (other than the Facilities whether accepted or not), arising in connection with the supply and installation of the Facilities and by reason of the negligence of the Contractor or its Subcontractors, or their employees, or agents, except any injury, death or property damage caused by the negligence of the Employer, its employees, or agents.
- 35.2 If any proceedings are brought or any claim is made against the Employer that might subject the Contractor to liability under **Sub-Clause 35.1** hereof, the Employer shall promptly give the Contractor a notice thereof and the Contractor may at its own expense and in the Employer's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim.
- If the Contractor fails to notify the Employer within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or

claim, then the Employer shall be free to conduct the same on its own behalf at the risk of the Contractor.

The Employer shall, at the Contractor's request, afford all available assistance to the Contractor in conducting such proceedings or claim, and shall be reimbursed by the Contractor for all expenses incurred in so doing.

### 36. Insurance

36.1 The Contractor shall take out a composite and comprehensive Marine-cum-Erection Insurance Policy or separate insurance policies for transit and storage-cum-erection with an Insurance Regulatory and Development Authority (IRDA) registered Insurance Company(s). The Employer shall be the principal holder of the policy. The policy shall cover total erected value of the Facilities (115% for the contracts with completion period upto 18 months or 125% for the contracts with completion period above 18 months, of Contract price excluding the design & engineering and supervision services price, training) and all risks specifically inclusive of the following.

36.1.1 All Risk Insurance: The policy shall cover all risks including terrorism, escalations, revisions and continuity of cover during operations till Commissioning. Basically "All Risk" arising out of the following perils shall deemed to have been covered in the policy: In brief but not limited to, the following shall be covered.

Location Risk	Such as Fire, Lightning, Theft, Burglary, Pilferage, Short Deliver, Non Delivery, Breakage etc.
Handling Risk	Such as impact of falling objects, Transportation, collision, failure of cranes, Denting, Bending, Tearing, bursting whether caused by Contractor itself, its sub-contractors, customers or other parties.
Operation & Maintenance	Such as failure of safety devices, Leakage of electricity or water, Insulation failures, short circuits, tearing apart by centrifugal forces, entry of foreign material/substances, explosion, fire while caring out welding/gas cutting, damage to plant and equipment under erection and surrounding properties of the owner etc.
Risks of Human	Such as carelessness, Negligence( excluding willful negligence), Faults in Element Erection, RSMD(Riots, Strike, Malicious Damage),SRCC( Strike, riots, civil commotion etc.
Act of God	Such as Storm, Flood, Tempest, Hurricane, Inundation, Subsidence, Landslide, Rock Slide, Earthquake.

Insurance Coverage to be seamless from Foreign port to Plant Location.

The Contractor to take EAR policy with add-on-cover of Continuity Coverage till Commissioning for those Unit / Plant which have become operational but integrated testing with other Units is awaited.

36.1.2 Imported Cargo Insurance: For imported supplies, the policy shall cover all goods from FOB supply point, i.e., from the point of loading on ships at a foreign port till completion of erection and commissioning.

36.1.2.1 The policy shall cover the imported goods on replacement basis, i.e., inclusive of escalations, if any, payable to the foreign suppliers of the Contractor and / or exchange rate fluctuations and / or fluctuations in Ocean Freight, Customs Duty, clearing and forwarding charges, inland freight, etc.

36.1.3 Indigenous Cargo Insurance: For indigenous supplies, the policy shall insure the goods originating in India from the Contractor's / Supplier's

warehouse to Plant's warehouse and up to completion of erection and commissioning. This will be inclusive of supplies to and from warehouse / factory of intermediate processors / suppliers. This policy will also cover the replacement items, if any.

- 36.1.4 Third Party Liability Insurance: The policy shall cover third party liability. The third party liability shall cover the loss / disablement of human life (persons not belonging to the Contractor) and also cover the risk of damages to others' materials / equipment / properties during construction, erection and commissioning at site. The value of third party liability for compensation for loss of human life or partial / full disablement shall be of required statutory value but not less than Rs. 2 lakh per death, Rs. 1.5 lakh per full disablement and Rs. 1 lakh per partial disablement and shall nevertheless cover such compensation as may be awarded by a Court of Law in India or abroad and cover for damage to others' equipment / property.
- 36.1.5 Automobile Liability Insurance: Covering use of vehicles / mobile equipment used by the Contractor or its Sub-Contractors (whether or not owned by them) in connection with the execution of the Contract.
- 36.1.6 Contractor shall ensure that where applicable, its Sub-Contractor(s) shall take out and maintain in effect adequate insurance policies for their personnel and vehicles and for work executed by them under the Contract, unless such Sub-Contractors are covered by the policies taken out by the Contractor.
- 36.1.7 Sub-Contractors of the Contractor shall not be holders or beneficiaries in the policy nor shall they be named in the policy. Employer reserves the exclusive right to assign the policy.
- 36.1.8 While the payment of premium may be phased in agreement with the insurance company, at no time shall goods and services required to be provided by the Contractor shall remain uninsured.
- 36.1.9 A copy of the Insurance policy shall be made available to the Employer before start of site activities or first despatch, whichever is earlier and policy shall be kept alive and valid at all times up to date of commissioning.
- 36.1.10 The Employer reserves the right to take out whatever policy that is deemed necessary by him if the Contractor fails to keep the said policy alive and valid at all times and / or causes lapses in payment of premium thereby jeopardising the said policy. The cost of such policy(s) shall be recovered / deducted from the amount payable to the Contractor.
- 36.1.11 In cases where the erection, modification etc., are to be carried out in the existing shop of the Employer the 'surrounding value' shall be intimated by the Employer to the Contractor, who shall ensure that this value is included in the policy.
- 36.1.12 Marine & Transit Insurance policies shall also cover:
- Institute Cargo Clause 'A'
  - Institute War Clauses.
  - Institute Replacement clause, Special Replacement clause (Air duty) and deferred un-packing clause.
  - Insurers right of subrogation against Insured parties (excluding carriers) waived.
  - RSMTD
  - SRCC
  - Institute Strikes Clauses
  - Ware House to Ware House

- 36.1.13 In case project gets delayed due to reasons not attributable to Contractor, the actual expenditure incurred by Contractor for additional Insurance Premium towards extension of insurance policies shall be reimbursed by the Employer.
- 36.2 Upon arrival of plant and Equipment / materials at site the Contractor shall assume custody thereof and remain responsible thereafter for safe custody until the whole plant is successfully commissioned.
- 36.3 In order to adequately cover the works under such composite and comprehensive insurance, the Contractor shall fulfill the necessary requirements / obligations.
- 36.4 The Contractor shall arrange Accident Insurance Policy for all his personnel including foreign Experts / Specialists / Personnel deputed to site and Contractor's / his sub-contractors' manufacturing works as well as for his Indian engineers & supervisory staff. The Contractor shall also take out for his Indian workmen a separate policy as per Workmen's Compensation Act, if applicable.
- 36.5 The details of consignment along with its value and vessel's name and other shipping particulars shall be intimated by the Contractor to the Employer, Underwriter in India and clearing agent immediately after shipment of the consignment.
- 36.6 In all cases, the Contractor shall lodge the claims with the Underwriters and also settle the claims. All claims shall be settled in India. However, the Contractor shall proceed with the repairs and / or replacement of the equipment / components without waiting for the settlement of the claims. In case of seizure of materials by concerned authorities, the Contractor shall arrange prompt release against bond, security or cash as required. Employer will extend all assistance to the Contractor in such a case. Upon completion of replacement/ repair, the claim amount received from Insurance Company, if any by the Employer shall be refunded to the Contractor.
- 36.7 All the insurance claims shall be processed by the Contractor and the items which are missing / damaged in transit or during handling, storage, erection and commissioning, shall be replaced / repaired by them without any extra cost to the Employer.
- 36.8 The employer at its discretion may arrange for the insurance cover at its own expense. In such an event, the amount quoted towards 'Comprehensive/ Transit, Storage cum erection insurance' in 'Summary Price Schedule', shall not be payable to the contractor. However, processing of all the insurance claims shall be the responsibility of the contractor. Also, the Contractor shall perform all the obligations as mentioned in sub-clauses above.
- 36.9 In addition to the add-ons that may be available for projects as per market conventions as well as the ones that bidders may offer (which may be mentioned in the list of all add-ons available free of cost), SAIL also wishes to cover the following. The Premium, if any, for these add-on covers may be built up in the price quoted by the bidders in the price bid:
- a) 50/50 clause. (in case there are separate insurers for marine and EAR policy).
  - b) 72 hours clause.
  - c) Free automatic reinstatement clause up to 10% of the Sum Insured.
  - d) Loss minimization expenses.
  - e) Professional fees

- f) Cross liability cover
- g) Waiver of contribution clause
- h) Damage due to falling objects.
- i) Cost of reproducing/ reacquiring information up to Rs.05% of project cost.
- j) Amendment in firefighting endorsement wordings.
- k) Debris removal up to 50 lakhs Expediting cost including Air freight and Express freight (Up to 30% of net claim amount)
- l) Additional Custom Duty up to Rs.10 crores.
- m) Pair or set clause.
- n) Fragile Items like glass, insulation, refractory, insulators, mineral wool mattress, fire bricks etc. (in boxes or loose as may be) - with Sum Insured upto Rs. 2 crores.
- o) Waiver of Subrogation Clause: (The Insurer hereby waive their right of subrogation against all insured)
- p) Property belonging to or held in the care, custody or control of the insured up to a value of Rs. 5 crores
- q) Inland transit up to a value of Rs. 5 crores to cover movement / transit between one part of site & other part of site including movement from / to off-site storage spanning over public road in between
- r) Civil Engineering Works — To cover the risk of loss or damage to the property brought on to the Site of Erection for the performance of the contract, as follows:
  - 1. All permanent Civil Engineering Works such as buildings, foundations, earthwork including materials for the constructions thereon
  - 2. All temporary civil works such as buildings, sheds

### 37. Negligence

- 37.1 If the Contractor does not execute the Facilities in accordance with the time schedule stipulated in the **Appendix-2** of the Contract Agreement and shall neglect to execute the Facilities with due diligence or expedition or shall contravene the provisions of Contract, the Employer may give notice in writing to the Contractor to make good the failure, neglect or contravention complained of within such time as may be deemed reasonable by the Employer and in default of compliance with the said notice, the Employer without prejudice to its rights under **Clause 37.2** hereof, may rescind or cancel the Contract holding the Contractor fully liable for the damages that the Employer may sustain.
- 37.2 Should the Contractor fail to comply with such notice, the Employer shall have at its option the right to take the affected Facilities wholly or in part out of the Contractor's hands and may complete the Facilities, as envisaged in the Contract either departmentally or by awarding fresh Contract(s) to execute the same, at the risk and cost of the Contractor.
- 37.3 In such event the Employer shall be entitled to use all materials, construction equipment, tools, tackles and other things of the Contractor and the Employer shall also be entitled to retain and apply any sum which may otherwise be then due as per the Contract or any other Contract from the Employer to the Contractor as may be necessary for the payment of the cost of execution of such Facilities as aforesaid.

If the cost of executing the Facilities as aforesaid shall exceed the sum due to the Contractor, the Contractor shall make payment for the same within the specified period

### 38. Change in Laws and Regulations

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

### 39. Force Majeure

39.1 "Force Majeure" shall mean the following:

- a) war, hostilities or warlike operations (whether a state of war be declared or not), invasion, act of foreign enemy and civil war.
- b) rebellion, revolution, insurrection, mutiny, usurpation of civil or military government, conspiracy, riot, civil commotion and terrorist acts.
- c) sabotage, unlawful lockout, epidemics, quarantine and plague.
- d) earthquake, fire, flood or cyclone, or other natural or physical disaster.

39.2 If either party is prevented, hindered or delayed from or in performing any of its obligations under the Contract by an event of Force Majeure, then it shall notify the other in writing of the occurrence of such event and the circumstances thereof within 14 days after the occurrence of such event.

39.3 The party who has given such notice shall be excused from the performance or punctual performance of its obligations under the Contract for so long as the relevant event of Force Majeure continues and to the extent that such party's performance is prevented, hindered or delayed. The Time for Completion shall be extended in accordance with **Clause 42** (Extension of Time for Completion) hereof.

39.4 The party or parties affected by the event of Force Majeure shall use reasonable efforts to mitigate the effect thereof upon its or their performance of the Contract and to fulfill its or their obligations under the Contract, but without prejudice to either party's right to terminate the Contract under **Sub-Clauses 39.6 and 40.5** hereof.

39.5 Any delay or non-performance by either party hereto caused by the occurrence of any event of Force Majeure shall not

- a) constitute a default or breach of the Contract
- b) (subject to **Sub-Clauses 34.2, 40.3 and 40.4** hereof) give rise to any claim for damages or additional cost or expense occasioned thereby

if and to the extent that such delay or non-performance is caused by the occurrence of an event of Force Majeure.

39.6 If the performance of the Contract is substantially prevented, hindered or delayed for a period of more than ninety (90) days on account of Force Majeure during the currency of the Contract, the parties will develop a mutually satisfactory solution.



## 40. War Risks

- 40.1 "War Risks" shall mean any event specified in paragraphs (a) and (b) of **Sub-Clause 39.1** hereof.
- 40.2 Notwithstanding anything contained in the Contract, the Contractor shall have no liability whatsoever for or with respect to
- a) destruction of or damage to property of the Employer or any third party
  - b) injury or loss of life
- if such destruction, damage, injury or loss of life is caused by any **War Risks**, and the Employer shall indemnify and hold the Contractor harmless from and against any and all claims, liabilities, actions, lawsuits, damages, costs, charges or expenses arising in consequence of or in connection with the same.
- 40.3 If the Facilities or any Plant & Equipment, Structures and Refractories shall sustain destruction or damage by reason of any War Risks, the Employer shall pay the Contractor for
- a) any part of the Facilities or the Plant & Equipment, Structures and Refractories so destroyed or damaged (to the extent not already paid for by the Employer) so far as may be required by the Employer, and as may be necessary for completion of the Facilities.
  - b) replacing or making good any such destruction or damage to the Facilities or the Plant and Equipment or any part thereof.
- If the Employer does not require the Contractor to replace or make good any such destruction or damage to the Facilities, the Employer shall either request a change in accordance with **Clause 41** (Change in the Facilities) hereof, excluding the performance of that part of the Facilities thereby destroyed or damaged or, where the loss, destruction or damage affects a substantial part of the Facilities, shall terminate the Contract, pursuant to **Sub-Clause 44.1** (Termination for Employer's Convenience) hereof.
- 40.4 Notwithstanding anything contained in the Contract, the Employer shall pay the Contractor for any increased costs or incidentals to the execution of the Contract that are in any way attributable to, consequent on, resulting from, or in any way connected with any War Risks, provided that the Contractor shall as soon as practicable notify the Employer in writing of any such increased cost.
- 40.5 If during the performance of the Contract any War Risks shall occur that financially or otherwise materially affect the execution of the Contract by the Contractor, the Contractor shall use its reasonable efforts to execute the Contract with due and proper consideration given to the safety of its and its Subcontractors' personnel engaged in the work on the Facilities, provided, however, that if the execution of the work on the Facilities becomes impossible or is substantially prevented for a period of more than ninety (90) days on account of any War Risks, the parties will develop a mutually satisfactory solution.

## H. CHANGE IN CONTRACT ELEMENT

### 41. Change in the Facilities

- 41.1 The Employer shall have the right to propose/ consider contractor's proposal, and subsequently order the Contractor from time to time during the performance of the Contract to make any change, modification, addition or deletion to, in or from the Facilities (hereinafter called "Change"), provided that such Change falls within the general scope of the Facilities and does not constitute unrelated work and that it is technically practicable, taking into account both the state of

advancement of the Facilities and the technical compatibility of Change envisaged with the nature of the Facilities as specified in the Contract.

- 41.2 Notwithstanding **Sub-Clauses 41.1** hereof, no change made necessary because of any default of the Contractor in the performance of its obligations under the Contract shall be deemed to be a Change, and such change shall not result in any adjustment of the Contract Price or the Time for Completion.
- 41.3 If the Employer proposes/ considers contractor's proposal for a Change pursuant to **Sub-Clause 41.1** hereof, it shall send to the Contractor a "Request for Change Proposal," requiring the Contractor to prepare and furnish to the Project Manager as soon as reasonably practicable a "Change Proposal," which shall include the following:
- (a) brief description of the Change
  - (b) effect on the Time for Completion
  - (c) estimated cost of the Change
  - (d) effect on Functional Guarantees (if any)
  - (e) effect on any other provisions of the Contract.
- 41.4 The pricing of any Change shall, as far as practicable, be calculated in accordance with the rates and prices included in the Contract. If such rates and prices are inequitable, the parties thereto shall agree on specific rates for the valuation of the Change.
- 41.5 Upon receipt of the Change Proposal, the Employer and the Contractor shall mutually agree upon all matters therein contained. Within fourteen (14) days after such agreement, the Employer shall, if it intends to proceed with the Change, issue the Contractor with a Change Order with the approval of competent authority.
- 41.5.1 If the Employer and the Contractor cannot reach agreement on the price for the Change, an equitable adjustment to the Time for Completion, or any other matters identified in the Change Proposal, the Employer may nevertheless instruct the Contractor to proceed with the Change by issue of a "Pending Agreement Change Order."
- Upon receipt of a Pending Agreement Change Order, the Contractor shall immediately proceed with effecting the Changes covered by such Order. The parties shall thereafter attempt to reach agreement on the outstanding issues under the Change Proposal.
- If the parties cannot reach agreement within one hundred & twenty (120) days from the date of issue of the Pending Agreement Change Order, then the matter may be referred to for the Conciliation / Arbitration as per **Clause 6** hereof.
- 41.5.2 If the Employer decides not to proceed with the Change for whatever reason, it shall, within the said period of fourteen (14) days, notify the Contractor accordingly.

## 42. Extension of Time for Completion

- 42.1 The Time(s) for Completion specified in the **Appendix-2** of the Contract Agreement shall be extended if the Contractor has delayed or impeded in the performance of any of its obligations under the Contract by reason of any of the following:
- a) any Change in the Facilities as provided in **Clause 41** (Change in the Facilities) hereof



- b) any occurrence of Force Majeure as provided in **Clause 39** (Force Majeure) hereof, or other occurrence of any of the matters specified or referred to in paragraphs (a) and (b) of **Sub-Clause 34.2** hereof
- c) any suspension order given by the Employer under **Clause 43** (Suspension) hereof
- d) The default by the Employer under **Clause 10** hereof, if proved to be cause for delay in completion of the Facilities by such period as shall be fair and reasonable in all the circumstances and as shall fairly reflect the delay or impediment sustained by the Contractor.

42.2 Except where otherwise specifically provided in the Contract, the Contractor shall submit to the Project Manager a notice of a claim for an extension of the Time for Completion, together with particulars of the event or circumstance justifying such extension as soon as reasonably practicable after the commencement of such event or circumstance. As soon as reasonably practicable after receipt of such notice and supporting particulars of the claim, the Employer and the Contractor shall agree upon the period of such extension. In the event that the Contractor does not accept the Employer's estimate of a fair and reasonable time extension, the Contractor shall be entitled to refer the matter for Conciliation / Arbitration.

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

#### **43. Suspension**

43.1 The Employer may, by notice to the Contractor, order the Contractor to suspend performance of any or all of its obligations under the Contract. Such notice shall specify the obligation of which performance is to be suspended, the Effective Date of the suspension and the reasons therefor. The Contractor shall thereupon suspend performance of such obligation (except those obligations necessary for the care or preservation of the Facilities) until ordered in writing to resume such performance by the Project Manager.

If, by virtue of a suspension order given by the Project Manager, other than by reason of the Contractor's default or breach of the Contract, the Contractor's performance of any of its obligations is suspended for an aggregate period of more than ninety (90) days, then at any time thereafter and provided that at that time such performance is still suspended, the Contractor may give a notice to the Project Manager requiring that the Employer shall, within thirty (30) days of receipt of the notice, order the resumption of such performance.

If the Employer fails to do so within such period, the Contractor may, by a further notice to the Project Manager, elect to treat the suspension as termination of the Contract under **Sub-Clause 44.1** (Termination for Employer's Convenience).

43.2 If the Contractor's performance of its obligations is suspended pursuant to this **Clause 43** hereof, then the Time for Completion shall be extended in accordance with **Sub-Clause 42.1** hereof, and any and all additional costs or expenses incurred by the Contractor as a result of such suspension shall be paid by the Employer to the Contractor in addition to Contract Price on mutually agreed basis.

43.3 During the period of suspension, the Contractor shall not remove from Site any plant & equipment, any part of the Facilities or any Contractor's equipment, without the prior written consent of the Employer.

## 44. Termination

### 44.1 Termination for Employer's Convenience

- 44.1.1 The Employer may at any time terminate the Contract for any reason by giving the Contractor a notice of termination that refers to **Clause 44.1** hereof.
- 44.1.2 Upon receipt of the notice of termination under **Sub-Clause 44.1.1** hereof, the Contractor shall either immediately or upon the date specified in the notice of termination
- a) cease all further work, except for such work as the Employer may specify in the notice of termination for the sole purpose of protecting that part of the Facilities already executed, or any work required to leave the Site in a clean and safe condition
  - b) terminate all subcontracts, except those to be assigned to the Employer pursuant to paragraph (d) (ii) below
  - c) remove all Contractor's Equipment from the Site, repatriate the Contractor's and its Subcontractors' personnel from the Site, remove from the Site any wreckage, rubbish and debris of any kind, and leave the whole of the Site in a clean and safe condition
  - d) In addition, the Contractor, subject to the payment specified in **Sub-Clause 44.1.3** hereof, shall
    - (i) deliver to the Employer the parts of the Facilities executed by the Contractor up to the date of termination
    - (ii) to the extent legally possible, assign to the Employer all right, title and benefit of the Contractor to the Facilities and to the Plant and Equipment as at the date of termination, and, as may be required by the Employer, in any subcontracts concluded between the Contractor and its Subcontractors
    - (iii) deliver to the Employer all drawings, specifications and other documents prepared by the Contractor or its Subcontractors as at the date of termination in connection with the Facilities.
- 44.1.3 In the event of the termination of the Contract under **Sub-Clause 44.1.1** hereof, the Employer shall pay to the Contractor the Price, the properly attributable to the parts of the Facilities executed by the Contractor as of the date of termination. However, no consequential damages shall be payable by the Employer to the Contractor in the event of termination.

### 44.2 Termination for Contractor's Default

- 44.2.1 The Employer, without prejudice to any other rights or remedies it may possess, may terminate the Contract forthwith in the following circumstances by giving a notice of termination and its reasons therefor to the Contractor, referring to this **Sub-Clause 44.2** hereof:
- a) if the Contractor becomes bankrupt or insolvent, has a receiving order issued against it, compounds with its creditors, or, if the Contractor is a corporation, a resolution is passed or order is made for its winding up (other than a voluntary liquidation for the purposes of amalgamation or reconstruction), a receiver is appointed over any part of its undertaking or assets, or if the Contractor takes or suffers any other analogous action in consequence of debt.

- b) if the Contractor assigns or transfers the Contract or any right or interest therein in violation of the provision of **Clause 45** (Assignment) hereof.

44.2.2 If the Contractor

- a) has abandoned or repudiated the Contract
- b) has without valid reason failed to commence work on the Facilities promptly or has suspended the progress of Contract performance for more than twenty-eight (28) days after receiving a written instruction from the Employer to proceed
- c) persistently fails to execute the Contract in accordance with the Contract or persistently neglects to carry out its obligations under the Contract without just cause
- d) refuses or is unable to provide sufficient materials, services or labour (adequate resources) to execute and complete the Facilities in the manner specified in the program furnished under **Clause 18** (Program of Performance) hereof, at rates of progress that give reasonable assurance to the Employer that the Contractor can attain Completion of the Facilities by the Time for Completion as per **Clause 8** hereof.

then the Employer may, without prejudice to any other rights it may possess under the Contract, give a notice to the Contractor stating the nature of the default and requiring the Contractor to remedy the same. If the Contractor fails to remedy or to take steps to remedy the same within fourteen (14) days of its receipt of such notice, then the Employer may terminate the Contract forthwith by giving a notice of termination to the Contractor that refers to this **Sub-Clause 44.2** hereof.

44.2.3 Upon receipt of the notice of termination under **Sub-Clauses 44.2.1 or 44.2.2** hereof, the Contractor shall, either immediately or upon such date as is specified in the notice of termination,

- a) cease all further work, except for such work as the Employer may specify in the notice of termination for the sole purpose of protecting that part of the Facilities already executed, or any work required to leave the Site in a clean & safe condition
- b) terminate all subcontracts, except those to be assigned to the Employer pursuant to paragraph (d) below
- c) deliver to the Employer the parts of the Facilities executed by the Contractor up to the date of termination
- d) to the extent legally possible, assign to the Employer all right, title and benefit of the Contractor to the Facilities and to the Plant and Equipment as at the date of termination, and, as may be required by the Employer, in any subcontracts concluded between the Contractor and its Subcontractors
- e) deliver to the Employer all drawings, specifications and other documents prepared by the Contractor or its Subcontractors as at the date of termination in connection with the Facilities.

44.2.4 The Employer may enter upon the Site, expel the Contractor, and complete the Facilities itself or by employing any third party at the risk and cost of the Contractor. The Employer may, to the exclusion of any right of the Contractor over the same, take over and use any Contractor's Equipment owned by the Contractor and on the Site in connection with the Facilities for such reasonable period as the

Employer considers expedient for the supply and installation of the Facilities.

Upon completion of the Facilities or at such earlier date as the Employer thinks appropriate, the Employer shall give notice to the Contractor that such Contractor's Equipment will be returned to the Contractor at or near the Site and shall return such Contractor's Equipment to the Contractor in accordance with such notice. The Contractor shall thereafter without delay and at its cost remove or arrange removal of the same from the Site.

44.2.5 Subject to **Sub-Clause 44.2.6** hereof, the Contractor shall be entitled to be paid the Price attributable to the Part of the Facilities executed as at the date of termination, and the costs, if any, incurred in protecting the Facilities and in leaving the Site in a clean and safe condition pursuant to paragraph (a) of **Sub-Clause 44.2.3** hereof and rent of the Contractor's equipment, if any, used by the Employer pursuant to **Clause 44.2.4** hereof. Any sums due to the Employer from the Contractor accruing prior to the date of termination shall be deducted from the amount to be paid to the Contractor under this Contract.

44.2.6 If the Employer completes the Facilities, the cost of completing the Facilities by the Employer shall be determined.

If the sum that the Contractor is entitled to be paid, pursuant to **Sub-Clause 44.2.5** hereof, plus the reasonable costs incurred by the Employer in completing the Facilities, exceeds the Contract Price, the Contractor shall be liable for such excess.

If such excess is greater than the sums due to the Contractor under **Sub-Clause 44.2.5** hereof, the Contractor shall pay the balance to the Employer, and if such excess is less than the sums due the Contractor under **Sub-Clause 44.2.5** hereof, the Employer shall pay the balance to the Contractor.

The Employer and Contractor shall agree, in writing, on the computation described above and the manner in which any sums shall be paid.

44.3 In this **Clause 44** hereof, the expression "Facilities executed" shall include all work executed, Installation Services provided, and all Plant & Equipment, Structures and Refractories, acquired (or subject to a legally binding obligation to purchase) by the Contractor and used or intended to be used for the purpose of the Facilities, up to and including the date of termination.

44.4 In this **Clause 44** hereof, in calculating any money due from the Employer to the Contractor, account shall be taken of any sum previously paid by the Employer to the Contractor under the Contract, including any advance payment paid pursuant to **Clause 12** (Terms of Payment) hereof.

## 45. Assignment

45.1 The Contractor shall not, without the express prior written consent of the Employer assign to any third party the Contract or any part thereof, or any right, benefit, obligation or interest therein or there under, except that the Contractor shall be entitled to assign under the Contract.

If the contract is to be assigned, the party to which the contract is to be assigned must qualify or be eligible as per the eligibility criteria mentioned in the NIT. Prior approval of the employer is necessary for assignment of the contract.

45.2 Should loan / financial agreement(s) require the Contractor to assign, by way of charge, any money due or to become due to it, to a bank / credit agency for the benefit of receiving payment by the Contractor under this Contract from such bank / credit agency, or if

Any partial assignment is necessary to be made to any insurer in terms of Insurance Policy approved by the Employer; the Employer may give consent in such cases.

#### **46. Surplus Materials**

- 46.1 For the purpose of removing surplus materials in its original form only, the Contractor shall submit the documents / records evidencing the entry of materials inside the Steel Plant by producing the Gate Entry Permits and RRs or LRs and consumption statements based on approved drawings after allowing for wastages, maximum 8% cutting allowance, and irrecoverable / unaccountable losses (wastages including loss factors being minimum 2% on Steel and reinforcement rods, minimum 5% on cement and minimum 3% on cables, pipes etc.) to establish the surplus quantity of the materials belonging to the Contractor. The Employer shall allow the Contractor to remove such materials from the Employer's premises after being satisfied regarding the evidence produced for such removal. Such removal may be permitted even before completion of the entire work.
- 46.2 The Employer may, on written request from the Contractor, allow him to take back imported surplus materials not covered under the contract. However, if Employer has incurred expenses for surplus items towards customs, freight or any other account etc., the same shall be reimbursed by the Contractor in case of taking back of such items.
- 46.3 Scrap in any form whatsoever shall not be removed from Plant premises and shall be the property of the Employer. No credit will be given for scrap.

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

#### **48. Foreclosure**

For such contracts which cannot be revived, the same needs to be foreclosed. In such an event the work done by the contractor may be inspected and got valued through independent and expert body by the concerned Plant/Unit. The employer shall, after adjusting all dues of the party make payment to the contractor and foreclose the contract. The contractor shall, upon receipt of such payment not raised any dispute with respect to the contract so foreclosed

## ANNEXURE - I

**PERFORMANCE BANK GUARANTEE**  
(To be executed on Non-Judicial Stamp Paper of appropriate value)

..... (Name of the Bank)

Address .....

Guarantee No. ....

A/c Messrs .....(Name of Contractor)

Date of Expiry .....

Limit to liability (**currency & amount**) .....

Contract No. ....

For ..... (Name of Facilities)

**Subject :** ..... Performance Bank Guarantee.

Date ..... 20..

**To**.....  
.....  
.....**[Name and Address of Employer]**

Dear Sir,

We refer to the Contract Agreement (hereinafter called the "Contract") Reference No. .... Dated ..... between you and M/s. (**Name of the Contractor**) (hereinafter called the "Contractor") for the design, civil, manufacture, supply of plant & equipment, refractories and structures, storage, insurance & handling, erection, testing, commissioning and performance guarantee tests of . (**Name of the Facilities**).

Whereas the Contractor has undertaken to produce a Bank guarantee under the Contract including any amendment thereto, to secure its obligations to you for the performance of the Contract including the guarantees and warranty of the Facilities & the equipment supplied.

1. We ..... (**Name of the Bank**) do hereby expressly irrevocably and unreservedly undertake to unconditionally pay to you merely on your written demand, without referring it to the contractor and without protest and demur an amount not exceeding ..... (**currency and amount**). Any such demand made on us shall be conclusive as regards the amount due and payable by us under this guarantee/ any extension thereto. However, our liability under this guarantee shall be restricted to an amount not exceeding .....
2. This Guarantee shall be operable / encashable at ..... (Name of Bank), .....(Branch), (Location of designated Steel plant / Delhi/ Mumbai/ Chennai/ Kolkata/ Hyderabad/ Bangalore).
3. Notwithstanding anything to the contrary we agree that your decision as to whether the Contractor has committed a breach of any terms and conditions of the contract shall be final and binding on us and we shall not be entitled to ask you to establish your claim or

claims under this Guarantee but shall pay the same forthwith without any objection or excuse.

4. We undertake to pay to you any money so demanded notwithstanding any dispute or disputes raised by the Contractor(s) / supplier(s) in any suit or proceeding pending before any court or Tribunal or arbitration relating thereto, our liability under these presents being absolute and unequivocal.

The payment so made by us under this Guarantee shall be a valid discharge of our liability for payment thereunder.

5. This guarantee shall come into force from the date of issue of this guarantee and shall remain irrevocably valid and inforce initially upto \_\_\_\_\_ and the same shall be extended further until the expiry of the Defect Liability Period of the said Contract.
6. This guarantee shall not in any way be affected by you taking any securities from the Contractor or by the winding up, dissolution, insolvency or death as the case may be of the Contractor. We shall not be entitled to proceed against the assets of the Contractor at your site
7. In order to give full effect to the Guarantee herein contained, you shall be entitled to act as if we were your principal debtors in respect of all your claims against the Contractor, hereby guaranteed by us as aforesaid and we hereby expressly waive all our suretyship and other rights, if any, which are in any way inconsistent with the above or any other provisions of this Guarantee.
8. This guarantee is in addition to any other guarantee or guarantees given to you by us.
9. This guarantee shall not be discharged by any change in the constitution of the Contractor or us, nor shall it be affected by any change in your constitution or by any amalgamation or absorption thereof or therewith but will ensure for and be available to and effaceable by the absorbing or amalgamated company or concern.
10. Notwithstanding anything contained herein before our liability under this guarantee is restricted upto a sum ..... (**currency and amount**) and shall expire on ..... unless a claim or demand is made on us in writing within one year of the expiry date all your rights shall be forfeited and we shall stand relieved and discharged from our liabilities hereunder.
11. We, the said Bank confirm that the Signatory(ies) of this Guarantee is/are authorized to issue this Guarantee on behalf of the Bank and the Bank undertakes the full responsibility to this effect.

Your faithfully

Dated ..... day of ..... 20....

For .....

(**Name of the Bank**)

*Note: The non-judicial stamp (NJS) paper should be purchased in the name of the Bank issuing the BG; date of purchase of NJS paper should not be prior to the date of issue of the tender / contract as the case may be.*





**ANNEXURE - II**

**BANK GUARANTEE FOR RELEASE OF PAYMENT AGAINST  
COMMISSIONING CERTIFICATE/ PERFORMANCE GUARANTEE  
CERTIFICATE/ FINAL ACCEPTANCE CERTIFICATE  
(To be executed on Non-Judicial Stamp Paper of appropriate value)**

..... (Name of the Bank)

Address .....

Guarantee No. ....

A/c Messrs .....(Name of Contractor)

Date of Expiry .....

Limit to liability (currency & amount)

Contract No. ....

For .....(Name of Facilities)

**Sub: Release of Payment against Commissioning Certificate/ Performance Guarantee Certificate/ Final Acceptance Certificate.**

Date ..... 20---

To

.....  
.....  
.....

**[Name and Address of Employer]**

Dear Sir,

We refer to the Contract Agreement (hereinafter called the "Contract") Reference No. .... Dated ..... between you and M/s. (**Name of the Contractor**) (hereinafter called the "Contractor") for the design, civil, manufacture, supply of plant & equipment, refractories and structures, storage, insurance & handling, erection, testing, commissioning and performance guarantee tests of ....(**Name of the Facilities**).

Whereas, the Contractor has undertaken to produce additional Bank guarantee under the provisions of the Contract to secure Contractor's obligations to you for conducting the Commissioning/ Performance Guarantee Tests/ Final Acceptance Certificate (FAC) [**strikeout whichever is not applicable**] as per the provision of the Contract.

1. We ..... (**Name of the Bank**) do hereby expressly irrevocably and unreservedly undertake to unconditionally pay to you merely on your written demand, without referring it to the contractor and without protest and demur an amount not exceeding ..... (**currency and amount**). Any such demand made on us shall be conclusive as regards the amount due and payable by us under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding .....
2. This Guarantee shall be operable / encashable at ..... (Name of Bank), .....(Branch), (*Location of designated Steel plant / Delhi/ Mumbai/ Chennai/ Kolkata/ Hyderabad/ Bangalore*).
3. Notwithstanding anything to the contrary we agree that your decision as to whether the Contractor has committed a breach of any terms and conditions of the contract shall be final and binding on us and we shall not be entitled to ask you to establish your claim or claims under this Guarantee but shall pay the same forthwith without any objection or excuse.
4. We undertake to pay to you any money so demanded notwithstanding any dispute or disputes raised by the Contractor(s) / supplier(s) in any suit or proceeding pending



before any court or Tribunal or arbitration relating thereto, our liability under these presents being absolute and unequivocal.

The payment so made by us under this Guarantee shall be a valid discharge of our liability for payment thereunder.

5. This guarantee shall come into force from the date of issue of this guarantee and shall remain irrevocably valid and in force upto the issue of the Commissioning/ Performance Guarantee Tests/ Final Acceptance Certificate (FAC) [~~strikeout whichever is not applicable~~] provided always that unless extended this guarantee shall remain in force till \_\_\_\_\_ .
6. This guarantee shall not in any way be affected by you taking any securities from the Contractor or by the winding up, dissolution, insolvency or death as the case may be of the Contractor. We shall not be entitled to proceed against the assets of the Contractor at your site
7. In order to give full effect to the Guarantee herein contained, you shall be entitled to act as if we were your principal debtors in respect of all your claims against the Contractor, hereby guaranteed by us as aforesaid and we hereby expressly waive all our suretyship and other rights, if any, which are in any way inconsistent with the above or any other provisions of this Guarantee.
8. This guarantee is in addition to any other guarantee or guarantees given to you by us
9. This guarantee shall not be discharged by any change in the constitution of the Contractor or us, nor shall it be affected by any change in your constitution or by any amalgamation or absorption thereof or therewith but will ensure for and be available to and effaceable by the absorbing or amalgamated company or concern.
10. Notwithstanding anything contained herein before our liability under this guarantee is restricted upto a sum ..... (**currency and amount**) and shall expire on ..... unless a claim or demand is made on us in writing within one year of the expiry date all your rights shall be forfeited and we shall stand relieved and discharged from our liabilities hereunder.
11. We, the said Bank confirm that the Signatory(ies) of this Guarantee is/are authorized to issue this Guarantee on behalf of the Bank and the Bank undertakes the full responsibility to this effect.

Your faithfully  
Dated ..... day of ..... 20—  
For .....  
(**Name of the Bank**)

*Note: The non-judicial stamp (NJS) paper should be purchased in the name of the Bank issuing the BG; date of purchase of NJS paper should not be prior to the date of issue of the tender / contract as the case may be.*

## PROFORMA FOR CUSTODY CUM INDEMNITY BOND

(To be used for materials to be issued free/ or good/materials ownership of which passed on the Employer before construction/ erection/testing/commissioning)

(on Non-Judicial Stamp paper of appropriate value)

Proforma for custody-cum-Indemnity Bond for the work of -----

.....  
.....  
.....

**[Name and Address of Employer]**

In consideration of the SAIL, \_\_\_\_\_ Steel Plant -----(hereinafter called this Company) which expression shall unless repugnant to the subject or content include his successors and assigns having agreed under the terms and conditions of the Contract no ----- dated-----made between-----and the Company in connection with-----to permit the Contractor to receive goods/materials (specify the quantity and name of the materials) of the contract rate of item for supply the value of Rs.-----interalia on production of Indemnity-cum-custody bond. We do hereby undertake and agree to indemnify and keep indemnified the company from time to time to the extent of Rs.----- (Rupees.-----only) against any loss or damage, costs, charges and expenses caused to or suffered by the company by reason of the -----failing to take proper care and custody of the goods/ materials and/ or failing to properly used in the job as per Contract and hand over the completed job in terms of the agreement aforesaid or not complying the instructions which may be given from time to time during the continuance of the agreement and we further undertake to unconditionally pay the amount claimed by the company on demand and without demur to the extent aforesaid.

We ----- hereby further undertake to use the said goods/ materials in terms of the Contract aforesaid and further keep safely, preserve and maintain or caused to be kept safely preserved or maintained all plant machinery equipment and all materials for erection till the date of the preliminary acceptance thereof in terms of the agreement and any damage, breakage, loss during this period will be solely to our Account and we would make necessary arrangement proper replacement/repair as desired by the Company.

We-----further agree that the company shall be sole judge of and as to whether there has been any breach of the terms and conditions of this bond and as to the extent of the loss, damage, costs, charges and expenses caused to or suffered by the Company.

We----- further agree that our liability under this bond shall not be discharged because of the change in the constitution of the Company/or the extension of the time or for any indulgence by the Company granted to us.

## FORM OF PRELIMINARY ACCEPTANCE CERTIFICATE

Ref No. : \_\_\_\_\_

Date : \_\_\_\_\_

To :

.....

.....

.....

**[Name and address of Contractor]**

Contract Agreement No : \_\_\_\_\_

**[Name of the Facilities]**

Dear Sirs,

Pursuant to **Clause 24** (Preliminary Acceptance) of the General Conditions of the Contract entered into between yourselves and the Employer dated \_\_\_\_\_ **[date]**, relating to the \_\_\_\_\_ **[brief description of the facilities]**, we hereby notify you that the erection, testing & trial runs of the individual unit of the following part(s) of the Facilities was completed successfully on the date specified below. The Facilities are fit for start-up and commissioning. However, you shall liquidate all the outstanding defects and / or deficiencies and complete the balance items listed in the attachment hereto, as soon as possible, so that the Facilities are fully in accordance with the requirements of the Contract and commissioning activities of the Facilities can be started. Further, you shall be fully responsible for care and custody of the Facilities and the risk of loss thereof till the issue of commissioning certificate in terms of the Contract.

1. Description of the Facilities or part thereof : \_\_\_\_\_ **[description]**2. Date of Completion of Trial runs: \_\_\_\_\_ **[date]**

This letter does not relieve you of your obligation to complete the execution, commissioning, establishment of performance guarantee parameters of the Facilities in accordance with the Contract nor of your obligations during the Defects Liability Period.

Yours faithfully,

\_\_\_\_\_  
Title

(Project Manager)

## FORM OF COMMISSIONING CERTIFICATE

Ref No. : \_\_\_\_\_

Date : \_\_\_\_\_

To :

.....  
.....  
.....**[Name and address of Contractor]**Contract Agreement No : \_\_\_\_\_  
**[Name of the Facilities]**

Dear Sirs,

Pursuant to **Clause 25** (Commissioning of the Facilities) of the General Conditions of the Contract entered into between yourselves and the Employer dated \_\_\_\_\_ **[date]**, relating to the \_\_\_\_\_ **[brief description of the facilities]**, we hereby notify you that the following part(s) of the Facilities was (were) commissioned on the date specified below, and that, in accordance with the terms of the Contract, the Employer hereby takes over the said part(s) of the Facilities, together with the responsibility for care and custody and the risk of loss thereof but without prejudice to any of the rights of the Employer, on the date mentioned below.

1. Description of the Facilities or part thereof : \_\_\_\_\_ **[description]**
2. Date of Completion : \_\_\_\_\_ **[date]**

However, you are required to complete the outstanding items listed in the attachment hereto as soon as possible.

This letter does not relieve you of your obligation to complete the execution of the Facilities in accordance with the Contract nor of your obligations during the Defects Liability Period.

Yours faithfully,

\_\_\_\_\_  
Title  
(Project Manager)



**ANNEXURE – VI**

**FORM OF PERFORMANCE GUARANTEE CERTIFICATE**

Ref No. : \_\_\_\_\_

Date : \_\_\_\_\_

To :

.....  
.....  
.....

**[Name and address of Contractor]**

Contract Agreement No : \_\_\_\_\_

**[Name of the Facilities]**

Dear Sirs,

Pursuant to **Clause 27** (Performance Guarantee Tests of the Facilities) of the General Conditions of the Contract entered into between yourselves and the Employer dated \_\_\_\_\_ **[date]**, relating to the \_\_\_\_\_ **[brief description of the facilities]**, we hereby notify you that the Performance Guarantee Tests of the following part(s) of the Facilities was (were) carried out and Performance Guarantee Parameters were satisfactorily attained on the date specified below, and that, in accordance with the terms of the Contract.

1. Description of the Facilities or part thereof : \_\_\_\_\_ **[description]**

2. Date of Completion : \_\_\_\_\_ **[date]**

3. Performance Guarantee Parameters :

<u>Description</u>	<u>Guaranteed</u>	<u>Achieved</u>
a)		
b)		

This letter does not relieve you of your obligation to complete the execution of the Facilities in accordance with the Contract nor of your obligations during the Defects Liability Period.

Yours faithfully,

\_\_\_\_\_  
Title  
(Project Manager)



FORM OF FINAL ACCEPTANCE CERTIFICATE

Ref No. : \_\_\_\_\_

Date : \_\_\_\_\_

To :

.....  
.....  
.....

**[Name and address of Contractor]**

Contract Agreement No : \_\_\_\_\_

**[Name of the Facilities]**

Dear Sirs,

Pursuant to **Clause 28** (Final Acceptance of the Facilities) of the General Conditions of the Contract entered into between yourselves and the Employer dated \_\_\_\_\_ **[date]**, relating to the \_\_\_\_\_ **[brief description of the facilities]**, we hereby notify you that the following part(s) of the Facilities was (were) completed satisfactorily including completion of Defects Liability Period of twelve months after commissioning, on the date specified below, and that, in accordance with the terms of the Contract.

1. Description of the Facilities or part thereof : \_\_\_\_\_ **[description]**

2. Date of Completion : \_\_\_\_\_ **[date]**

Yours faithfully,

\_\_\_\_\_  
Title  
(Project Manager)

ANNEXURE – VIII

**FORM OF CHANGE ORDER  
(Employer's Letterhead)**

Ref No. : \_\_\_\_\_  
Date : \_\_\_\_\_

To:

.....  
.....  
.....

**[Contractor's Name and Address]**

Contract Agreement No : \_\_\_\_\_

**[Name of the Facilities]**

Dear Sirs,

We approve the Change Order for the work specified in the Change Proposal (No. *[number]*), and agree to adjust the Contract Price, Time for Completion and / or other conditions of the Contract in accordance with GCC Clause 41 of the General Conditions of Contract.

1. Title of Change: *[name]*
2. Change Request No. / Rev.: *[Request number/revision]*
3. Change Order No. / Rev. :*[Order number/revision]*
4. Originator of Change : Employer / Contractor: *[name]*
5. Authorised Price :

Ref. No. : *[number]*

Date :*[date]*

Foreign currency portion *[amount]* plus Local currency portion *[amount]*

6. Adjustment of Time for Completion

None

Increase *[number]* days

Decrease *[number]* days

7. Other effects, if any

Authorised by: \_\_\_\_\_

Date: \_\_\_\_\_

(Employer)

Accepted by : \_\_\_\_\_

Date : \_\_\_\_\_

(Contractor)

**ANNEXURE-IX**

**BANK GUARANTEE FOR INTERIM ADVANCE**

(To be executed on Non-judicial Stamp Paper of appropriate value)

..... (Name of the Bank)  
Address.....

Guarantee No. ....

A/c M/s.....(Name of the Contractor)

Date of Expiry.....

Limit of liability (**Currency & amount**)  
.....

Contract No..... dt.....

For ..... (Name of the Facilities)

**Sub: Advance Payment**

Date.....

To,  
.....  
.....  
.....

**[Name & Address of the Employer]**

Dear Sir,

Whereas you have entered into a Contract ref No. ----- dt. ----- with M/s -----  
----- (hereinafter called the "Contractor") for " ----- "of----- Steel Plant, --  
---- (hereinafter referred to as the said Contract) and have agreed to make interest bearing  
interim advance to the Contractor a sum of Rs.....(Rupees .....only) and by way of  
advance payment, representing 10% (ten percent) of the Contract value of Rs.....(Rupees  
.....only) in terms of the said Contract for " -----"of----- Steel Plant, on our  
agreeing to furnish you with a guarantee in the manner hereafter contained, we, .....(Name of Bank  
and address) do hereby covenant and agree with you as follows:

1. We, the .....(Name of Bank ) (hereinafter referred to as 'the said Bank) hereby undertake to indemnify you and keep you indemnified to the extent of a sum of Rs.....(Rupees.....only) from and against all losses and damages that may be caused to or suffered by you in relation to the advance payment to be made by you to the Contractor, ass aforesaid, by reason of any default or defaults on the part of the Contractor in due supply of any plant, machinery or equipment or carrying out any works under the said Contract in respect of which such advance payment as aforesaid is to be made by you to the Contractor or otherwise in the observance and performance of any of the terms and conditions relating hereto in accordance with the true intent and meaning thereof and in the event of any default or defaults on the part of the Contractor as aforesaid we shall forthwith on demand pay to you any sum or sums nor exceeding in the total of said sum of Rs...../- (Rupees.....only) as may be claimed by you to be due from the contractor by



way of refund of such advance payment of any portion or otherwise as your losses and/or damages, costs, charges or expenses by reason of such default or defaults on part of the Contractor as aforesaid without demur and without recourse to the Contractor and without any reference to any other source.

2. Notwithstanding anything to the contrary we agree that your decision as to whether the decision as to whether the Contractor has made any default or defaults and the amount to which you are entitled by reason thereof will be binding on us and we shall not be entitled to ask you to establish your claim or claims under this guarantee but shall pay the same forthwith without any objection, or excuse.
3. We, the said Bank further undertake to pay to you any money so demanded subject to the maximum limit of our liability, notwithstanding any dispute or disputes raised by the contractor in any suit or proceeding pending before any court or tribunal or arbitration relating thereto, our liability under these presents being absolute and unequivocal.
4. The payment so made by us under this guarantee shall be a valid discharge of our liability for payment hereunder.

The guarantee shall come into force simultaneously with your making the said advance payment to the Contractor and shall not be revoked by us at any time during its currency without your consent in writing.

5. Unless extended, this guarantee shall remain in force till ..... provided however, that should it be necessary to extend we shall extend forthwith the period of this guarantee on your request till such time as may be required by you.
6. You will have fullest liberty without affecting this guarantee to postpone for any time or from time to time any of your rights or power against the Contractor and either to enforce or forebear to enforce any of the terms or conditions of the said Contract and we shall not be released from our liability under this guarantee by the exercise of your liberty with reference to the Contractor by any variation or modification of the said Contract or any other forbearance act or omission on your part or any indulgence shown by you to the Contractor or by any variation or modification of the said Contract or any other act, matter, or thing whatsoever which under the law relating to sureties would but for the provisions hereof have the effect of so releasing us from our liability hereunder. Provided always that nothing herein contained will enlarge our liability hereunder beyond the limit of Rs.....(Rupees.....only) as aforesaid or extend the period of guarantee beyond the said .....unless extended by us in writing in terms of 5 hereof.
7. All compensations or payments that may be received by you from the Contractor or any person, firm or company whatsoever for or on account of the Contractor in any way in respect of the said Contract shall be regarded as payments in gross and you will be entitled to proceed against the assets of the Contractor, should the Contractor be wound up or dissolved or declared insolvent in respect of the whole of the Contractor's indebtedness to you without any right on our part to stand in your place in respect of or to claim the benefit of such compensation or payment or any security that may be held by you until you shall have received the full guarantee shall not in any way be affected by your taking or varying or giving up any securities from the Contractor or any other person, firm or company on its behalf or by winding up, dissolution, insolvency or death as the case may be of the Contractor.
8. In order to give full effect to the guarantee herein contained you shall be entitled to act as if we were your principal debtors in respect of all your claims against the Contractor, hereby guaranteed by us as aforesaid and we hereby expressly waive all our surety ship and other rights if any, which are in any way, inconsistent with the above or any other provisions of the guarantee.
9. Subject to the maximum limit of our liability as aforesaid this guarantee will cover all your claim or claims against the Contractor from time to time, arising out of or in relation to your such advance payment to the Contractor as aforesaid and in respect of your demand are noticed in writing be

issued to us before the date of expiry of this guarantee mentioned above.

10. This guarantee and the power and provisions herein contained are in addition to and not by way of limitation of or substitution for any other guarantee or guarantees here to given to you by us (Whether jointly with other or alone) and now existing un cancelled and that this guarantee is not intended to and shall not revoke or limit such guarantee or guarantees.
11. This guarantee shall be a continuing guarantee and shall not be discharged by any change in the constitution of the Contractor or ourselves nor shall be affected by any change your constitution or by any amalgamation or absorption thereof or therewith but will ensure for and be available to and enforceable by the absorbing or amalgamated company or concern. We shall not revoke this guarantee during its currency, accept with your prior consent in writing.
12. This guarantee shall not be discharged due to any change in the constitution of the bank or the Contractor.  
Unless a claim or demand is made on us in writing within the expiry date all your writes will be forfeited and we shall also be relieved and discharged from our liability hereunder.
13. We, the said Bank confirm that the Signatory(ies) of this Guarantee is/are authorized to issue this Guarantee on behalf of the Bank and the Bank undertakes the full responsibility to this effect.
14. This Guarantee shall be operable /encashable at ..... (Name of Bank), ..... (Branch), (Location of designated Steel plant / Delhi/ Mumbai/ Chennai/ Kolkata/ Hyderabad/ Bangalore).
15. Notwithstanding anything contained herein above,
  - i) Our liability under this bank guarantee shall not exceed Rs.....(Rupees .....). *[BG value]*
  - ii) This Bank Guarantee shall be valid up to ..... [ *Date of expiry of BG*] and
  - iii) We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a claim or demand on or before .....*[ BG Claim period date - i.e. one year from date of expiry of BG]*

Dated.....day of.....201.....  
For.....  
**(Name of the Bank)**

*Note: The non-judicial stamp (NJS) paper should be purchased in the name of the Bank issuing the BG; date of purchase of NJS paper should not be prior to the date of issue of the tender / contract as the case may be.*

## ANNEXURE-X

### FORMAT FOR DEED OF JOINT UNDERTAKING BY THE LICENSOR & BIDDER/CONTRACTOR IN REGARD TO THE PERFORMANCE OF THE CONTRACT (on Rs 100/- Non-Judicial Stamp Paper)

This DEED OF JOINT UNDERTAKING is executed on this.....day of.....Two thousand..... at.....by and between M/s..... having its Registered office at ..... (hereinafter called the "Licensor", which expression shall include its successors, administrators, executors and permitted assigns)

AND

M/s..... having its Registered office at ..... (hereinafter called the "Bidder/Contractor"), which expression shall include its successors, administrators, executors and permitted assigns)

#### NOW THEREFORE, THIS DEED WITNESSETH AS UNDER:

1. WHEREAS Steel Authority of India Limited, \_\_\_\_\_ Steel Plant (hereinafter called the "Employer") issued a NIT vide No.....Dated.....for the work of ..... (hereinafter refer to as "Facilities")
2. That the Bidder/Contractor had submitted its Bid dated..... to the Employer on..... with which it had submitted, besides other documents, an undertaking by Licensor dated.....
3. That the aforesaid Bidder/Contractor has been selected by the Employer for award of work.
4. That the Licensor has vide its Agreement No..... dated..... between itself and M/s. ....(Bidder/Contractor) has entered into a Licence Agreement as per which the Licensor has granted License of Process Technology to the Bidder/Contractor for a period of ..... year w.e.f. \_\_\_\_\_.
5. That by this Deed of Joint Undertaking dated..... the Licensor and the Bidder/Contractor undertake to the Employer that they shall keep the said Agreement dt.\_\_\_\_\_ alive and valid during the period of contract to be entered into between the Employer and Bidder/Contractor for completion of the Facilities referred above.
6. That the Licensor further undertake to render all support/assistance necessary asked for by the Bidder/Contractor and comply with all the process/performance guarantee and other parameter envisaged in the contract within the time schedule fixed.
7. That we, the Contractor and the Licensor do hereby undertake and confirm that this Deed of Joint Undertaking shall be kept valid till the completion period of contract between the Employer & the Contractor (including extensions, if any).
8. That we, the Contractor and the Licensor do further undertake that this Deed of Joint Undertaking shall be without any prejudice to the various liabilities of the Contractor including Performance Guarantee as well as other obligations of the Contractor in terms of the Contract.

9. That we, the Licensor and the Contractor agree that this Deed of Joint Undertaking shall form an integral part of the Contract. We further agree that this Deed of Joint Undertaking shall continue to be enforceable till the successful completion of Contract.
10. That this Deed of Joint Undertaking shall be operative from the effective date of the Contract.
11. That in case either the Licence Agreement between the Parties to the Joint Deed is terminated/breached before the completion of Facilities or the Licensor, for any reason whatsoever, fails to render support/assistance sought from him, both the Parties to this Joint Deed shall be liable to the Employer for the loss suffered by it on this account.
12. That we undertake and agree with the Employer that if for any reason we violate the License Agreement or fail to fulfil the contractual obligations undertaken by us in the Agreement with the Licensee, we shall be liable to the Employer and we shall indemnify the Employer against any and all the losses or damages which are caused by breach of the License Agreement by us. In no event shall our liability based on contract law, torts, negligence or any other area of law towards the Employer, ..... exceed scope of services of the Licensee in the contract with the Employer, ..... equal to ..... and we shall not be liable for any indirect or consequential harms, losses or damages nor for loss of use or profit, loss of revenues, loss of production, delays in operations, anticipated profit or production except in wilful misconduct/criminal negligence.

IN WITNESS WHEREOF, the Licensor and the Bidder/Contractor through their authorised representatives have executed these present and affixed common seal of their respective companies on the day, month and year first mentioned above.

For M/s .....(Licensor)	For M/s ..... (Contractor)
Authorised Representative	Authorised Representative
Name.....	Name .....
Designation.....	Designation.....
Signature.....	Signature.....
<b>WITNESS:</b>	
Name.....	Name .....
Signature.....	Signature.....
Address.....	Address.....

**ANNEXURE-XI**

**GUARANTEE FOR TAKING OUT MATERIAL FROM SAIL PLANTS/UNITS**

(To be executed on Non-judicial Stamp Paper of appropriate value)

..... (Name of the Bank)  
Address.....

Guarantee No. ....

A/c M/s..... (Name of the Contractor)

Date of Expiry.....

Limit of liability (**Currency & amount**)  
.....

Contract No..... dt.....

For ..... (Name of the Facilities)

**Sub: Guarantee for taking out Material from SAIL Plant/Unit**

Date.....

To,

.....  
.....  
.....

**[Name & Address of the Employer]**

Dear Sir,

1. We, [ **Name of Bank**], a Banking Company incorporated under the Banking Acquisition & Transfer of Undertakings Act,1970 and having its Registered Office at [ **Place name**], and having its branch office at [ **Address** ], at the request of M/s.[**Name of Party**]; having Registered Office at [ **Place Name**], do hereby undertake to pay to the Company an amount not exceeding Rs.[**Amount of BG**]. (**Rupees** ..... **only**) against any loss or damage caused to or suffered by or would be caused to or suffered by the Company- by reasons of any breach by the Contractor(s) of any of the terms or conditions contained in the said agreement.
2. We, [**Name of Bank**], do hereby undertake to pay the prorata amounts due and payable under this guarantee without any demur merely on demand from the company stating that the amount claimed is due by way of loss or damage caused to or suffered by the Company by reasons of breach by the said contractor(s) of any of the terms or conditions contained in the said agreement or by reasons of the contractor(s) failure to perform the said agreement. Any such, demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee, however, our liability under this guarantee shall be restricted to an amount not exceeding Rs.[**BG Value**] (**Rupees** ..... **only**) or the value against each components above whichever is lower.

3. We undertake to pay to the company any money so demanded, limited to the value of the individual components mentioned above, notwithstanding any dispute or disputes raised by the contractor(s) in any suit or proceeding pending before any court or tribunal relating thereto our liability under this present being absolute and unequivocal.

The payment so made by us under this bond shall be valid discharge of our liability for payment thereunder and the contractor(s)/supplier(s) shall have no claim against us for making such payment.

4. We, **[Name of Bank]**, further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Agreement and that it shall continue to be enforceable till all the dues of the company under or by virtue of the said agreement have been fully paid and its claims satisfied or discharged or till the company certifies that conditions of the said Agreement have been fully and properly carried out by the said contractor(s) and accordingly discharges this guarantee or till the corresponding components have been returned to Steel Authority of India Ltd, ..... (Name & Address of the Plant/Unit) through **[Party Name]**, after the rework/rectification work. Unless a demand or claim under this guarantee is made on us in writing on or before **[BG claim Date]**, we shall be discharged from all liability under this guarantee thereafter. Also, as and when the components mentioned above have been received back by Steel Authority of India Ltd, ..... (Name & Address of the Plant/Unit) through **[Name of Party]**, at their site, the value of the guarantee will be reduced to the extent of the value of the components (as mentioned above) returned. Our liability under this guarantee will stand reduced to the extent of the goods returned back by the said Contractor to the Company.
5. We, **[Name of Bank]** further agree that the Company (Steel Authority of India Ltd, ..... (Name & Address of the Plant/Unit)) shall have the fullest liberty without our consent and without affecting in any manner our obligations here-in-under to vary any of the terms and conditions of the said agreement or to extend time of performance by the said contractor(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the company against the said contractor(s) and to forbear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reasons of any such variation or extension being granted to the said contractor(s) or for any forbearances act or omission on the part of the company or any indulgence by the company to the said contractor(s) or by any such matter or thing whatsoever which under the law relating to sureties would but for this provisions, have effect of so relieving us.
6. The guarantee will not be discharged due to the change in the constitution of the bank or contractor(s)/supplier(s).
7. We **[Name of Bank]**, further undertake to extend the validity of this guarantee beyond the period prescribed in clause 4 or as extended from time to time for such further period as may be required by the company in writing before the expiry of this guarantee and upon such extension(s), all terms and conditions of this guarantee shall remain in full force till the expiry of the extended periods, failing such an extension, the bank agrees to pay Steel Authority of India Ltd, ..... (Name & Address of the Plant/Unit), the amount of guarantee, on demand.
8. We, **[Name of Bank]**, lastly undertake not to revoke this guarantee during its being in force except with the previous consent of the company in writing.
9. We, further confirm that this Bank Guarantee is operable from ..... (at Plant Location) Branch on our behalf.



10. We, the said Bank confirm that the Signatory(ies) of this Guarantee is/are authorized to issue this Guarantee on behalf of the Bank and the Bank undertakes the full responsibility to this effect.

NOTWITHSTANDING anything contained herein:

- A. Our liability under this Bank Guarantee shall not exceed Rs.[**BG value**]  
(**Rupees..... only**)
- B. This Bank Guarantee shall be valid upto [**Date of expiry of BG**].
- C. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written claim or demand on or before [ **BG Claim period date-i.e. one year from Date of Expiry of BG**]

Dated.....day of.....201.....

For.....  
(**Name of the Bank**)

*Note: The non-judicial stamp (NJS) paper should be purchased in the name of the Bank issuing the BG; date of purchase of NJS paper should not be prior to the date of issue of the tender / contract as the case may be.*

**ANNEXURE – XII**

**FORM OF DEFERRED SUPPLY OF GOODS**

Ref. No.: \_\_\_\_\_

Date: \_\_\_\_\_

To :

.....

.....

.....

**[Name and address of Contractor]**

Contract Agreement No: \_\_\_\_\_

**[Name of the Facilities]**

Dear Sirs,

Pursuant to **Clause 11.5** (Validity of Price Variation) of the General Conditions of the Contract entered into between yourselves and the Employer dated \_\_\_\_\_ **[date]**, relating to the \_\_\_\_\_ **[brief description of the facilities]**, we hereby notify you that the supply of following part(s) of the Facilities has been deferred on the date specified below with a duration specified below which includes a specified lead time in accordance with the terms of the Contract.

1. Description of the Facilities or part thereof: \_\_\_\_\_ **[description]**
2. Original Date of Supply: \_\_\_\_\_ **[date]**
3. Date of Deferrment: \_\_\_\_\_ **[date]**
4. Lead Time: \_\_\_\_\_ **[duration in days]**
5. Revised Date of Supply: \_\_\_\_\_ **[duration in days]**

Yours faithfully,

\_\_\_\_\_

Title


(Project Manager)



**Annexure- XIII**

<b>FORMAT FOR HINDRANCE REGISTER</b> Steel Authority of India Limited Plant/Unit:- Package Name: Contractor/Consortium Name: Consultant:									
<u>Contact details of Project Manager from SAIL</u>			<u>Contact details of Consultant</u>				<u>Contractor's Project Manager at SAIL</u>		
Name			Name				Name		
Designation /Dept			Designation /Dept				Designation /Dept		
Phone No			Phone No				Phone No		
Email ID			Email ID				Email ID		
SN	Nature of Hindrance	Effectuated Area of Work	Date of Occurrence (Start Date)	Date of removal (End Date)	Actual Period of Delay	Project Manager's Sign	Contractor's Sign	Consultant's Sign (if responsible for execution)	Remarks and References
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

# **Safety Code for Contractors**

INTER PLANT STANDARD – STEEL INDUSTRY		
 <b>IPSS</b>	<b>SAFETY IN CONTRACT WORKS</b>	<b>IPSS:1-11-011-14</b> <i>(First Revision)</i>
	No corresponding Indian Standard exists	<b>IPSS:1-11-011-01</b>

## 0. FOREWORD

- 0.1 This Inter Plant Standard formulated by the Standards Committee on Personnel Safety Appliances & Procedures, IPSS 1:11, with the active participation of the representatives of steel plants and associated organizations in the field, was adopted in May 2001 and revised in October, 2014.
- 0.2 This is one of the series of Inter Plant Standards in the area of safety in steel plants with a view to providing guidance to all concerned in accident prevention.

## 1. SCOPE

- 1.1 Safety is the responsibility of the Contractor and his staff/employees/workmen engaged/deployed for execution of work under the Contract, individually and collectively. For this purpose, the Contractor staff means and includes all its Associates/Sub-contractors/Vendors/Subvendors and their staff/employees/ workmen deployed for execution of the work covered under the Contract. The Contractor shall ensure that his workmen participate in the safety awareness, health care and safety training programmes whenever such programmes are organized by the Employer or the Contractor.
- 1.2 The Contractor's scope of work shall include, but not be limited to execution of work/contract, adequate safety arrangement for men, machines and materials etc. engaged during the execution of contract.
- 1.3 While executing the contract, the contractor/his supervisor has to ensure safety of surroundings with regard to Employer's workplace/site and other contractor's men/machine/materials/system etc.

## 2. PROCEDURE

- 2.1 Contractor shall prepare Job Safety Analysis (JSA)/ Hazard Identification Risk assessment (HIRA) in consultation with executing authority before start of the job. Proper protocol to be prepared for undertaking hazardous jobs at the discretion of Executing Authority. JSA/ HIRA shall be elaborate and shall have mention of responsibility also.

## 2.2 SUPERVISOR

- 2.2.1 The contractor shall engage qualified and competent supervisors for executing the contract. The supervisor must be able to (i) Read drawing (ii) Understand the safety aspect of the job (iii) Take necessary precautionary measures (iv) Ensure leadership for the safe execution of the job.

## 2.3 SAFETY SUPERVISION

2.3.1 The contractor shall provide at least one competent full time safety supervisor for each contract. For job involving deployment of large no. of workers, more safety Supervisors shall be deployed in the ratio of 1:50 for ensuring effective supervision.

## 2.4 GATE PASS

2.4.1 The contractor shall, in accordance with prescribed procedure, obtain Gate Passes (PHOTO PASSES) from Employer's Security Department who shall make it available to the contractor, to enable the contractor and its staff/employees/workmen to enter the work area inside the plant as well as unenclosed (open) work area like township. The contractor shall make arrangements for instant photography for those contract workers who may be required to go to work in emergency and do not have photo passes.

## 2.5 SAFETY INDUCTION

2.5.1 In order to provide basic industrial safety training to the workers of contractor, Employer will provide on request, the general safety induction to the workmen/supervisor at Safety Engineering Department. The contractor shall submit the list of persons with full detail for the job of safety induction to the engineer for arranging the same. The contractor shall not engage untrained personnel for executing any contract in the works. Job safety induction will be compulsory for every job to start with.

2.5.2 If at any point of time, contractor feels or needs any special safety training for carrying out a particular job, the same shall be arranged by the concerned engineer of the Employer. For this, the contractor shall inform the concerned engineer of the Employer well in advance of commencement of such job.

2.5.3 The contractor shall motivate and encourage its employees/workmen to make personal contribution towards enhancing safety on the basis of their knowledge and experience.

2.5.4 The contractor shall have adequate number of Pocket Sized Safety Cards containing safety instructions, prepared on the basis of Employer's model safety book for contractor's Workers in Hindi or regional languages as may be required and shall issue them to all his employees/workmen and ensure that they read it before commencing the work. The safety instructions from the Safety Card shall be read and explained by the Contractor or his representative to those employees/workmen who are illiterate and cannot read and ensure that they have been understood. If the employees are signing in the attendance register, the Contractor shall arrange to write 'Safety Sentence' on the top of each page below which each employee will either sign or put his thumb impression as a token of his/her attendance and also for having read/understood the safety instructions.

The 'Safety Sentence' shall be *"I have read/understood the safety instructions and I shall work according to these instructions"*.

2.5.5 The work areas where a different system of keeping attendance exists, the Contractor or its representative shall furnish the list of employees/workmen deployed on the job on any particular day and on top of which the following sentence shall be recorded by the representative of the Contractor:

*"I have explained the safety instructions to my workers mentioned below and assure that they have understood the instructions and shall work according to these instructions"*.

2.5.6 The contractor shall provide Safety Induction/ Tool Box Talk/ PEP Talk everyday before start of the job i.e. briefing the nature of work to be carried out and the necessary precautions to be taken while executing the job/contract during the particular day and to be documented.

2.5.7 Contractors shall follow all special safety precautions issued by the Executing Authority or his site Engineer from time to time.

## 2.6 LIABILITY

2.6.1 The Contractor shall abide by the provisions of all statutory acts and rules as applicable and maintain Register & Documents, submit periodic Reports & Returns, furnish information/report relating to accidents occurring in the area of work to competent authority in time .

2.6.2 The Contractor shall be liable for prosecution and penalty in accordance with and as prescribed under law of the land, terms & conditions of Contract as well as rules of the Company relating to safety, for not observing those provisions by the Contractor or its employees/workmen.

2.6.3 The Contractor shall keep the Company indemnified against all losses/claims due to accidents/injuries/damages caused at the Contractor's works site. He shall be fully responsible for accidents caused due to the Contractor or his agents' or workmen's negligence or carelessness in regard to the observance of the safety requirements and shall be liable to pay compensation for injuries.

2.6.4 The Engineer or the Head of the Safety Department or their authorized nominees, upon their satisfaction that the Contractor is not conforming to the Safety requirements, may direct stoppage of work and direct the Contractor to remedy the defects or supply the facility/equipment as the case may be. The Contractor shall not proceed with the work until he has complied with such directions to the satisfaction of the Engineer/Safety Department.

2.6.5 If a driver or any staff of the Contractor is caught in theft case or in any unauthorized movement of materials or in the activity which is punishable under the law or not authorized by the Plant, the Contractor shall bear the full responsibility for the loss and other consequences which may result to the Plant due to such illegal/unauthorized acts besides the action to terminate the contract by the Plant.

2.6.6 The Contractor shall be responsible to ensure that vehicles belonging to him are not driven in reckless or rash manner so as to become a potential threat to the safety of the traffic in the plant or township area. The drivers of the vehicles shall be made to adhere to the speed limits wherever applicable. Failure to comply with the above, may result in the termination of the contract.

In case of accident or injury or damages caused by the Contractor's vehicle or staff to any person or property, the financial responsibility to compensate be borne solely by the Contractor and this amount may, at the discretion of the competent authority of the Plant, be recovered from the bills or security or other deposits of the Contractor.

2.6.7 The Contractor shall ensure that all his employees/workmen are covered under 'ESIC Act' and shall pay compensation to his workmen as and when the eventuality for the same arises.

2.6.8 To ensure effective enforcement of the rules and regulations relating to safety precautions, the arrangements made by the Contractor shall be open to inspection by the Engineer or his representatives, Safety Engineer & Labour Officer.

2.6.9 The Contractor shall enclose along with his first bill a true copy of the Safety Induction Form (**ANNEXURE-1A**) duly certified by the Executing Authority regarding use of safety appliances, following of safety instructions and observance of all safety laws, failing which the bill will not be processed for payment.

2.6.10 Monetary Penalty will be imposed on the contractor on account of Safety Violation including fatal accident as per extent penal provision made for the purpose.

## 2.7 PPE & SAFETY APPLIANCES

2.7.1 The Contractor shall provide all the PPE (Personal Protective Equipment) and safety appliances required to carry out the job to all the workmen deployed by the Contractor and also ensure that his workmen use those PPE and safety appliances while on the job. The contractor shall not pay any cash amount in lieu of PPE to the workers.

2.7.2 The PPE and safety appliances provided by the Contractor shall be of the standard as prescribed by Inter Plant Standardization in Steel Industry (IPSS) or by Bureau of Indian Standards (BIS) / other equivalent international Standard.

2.7.3 If the Contractor fails to ensure provision of safety appliances required to carry out the job safely to the workmen and that its workmen do not use the PPE and safety appliances as needed for safe working. The Safety Engineering Department/ executive on finding that the Contractor is not conforming to the Safety requirements may direct the Contractor for stoppage of work and require the Contractor to remedy the defects.

The Contractor shall not proceed with the work until he has complied with each direction to the satisfaction of Engineer and Safety Engineering Department.

## 2.8 SITE CLEARANCE

2.8.1 Prior to commencement of work, the Contractor shall obtain a clearance from the Safety Engineering Department of the Employer and concerned department/section of the Employer where the job is to be carried out. The Employer/Engineer shall not permit the Contractor to commence the work unless Contractor or its representative produces such clearance certificate. The department concerned shall grant such clearance after ensuring that:

- a) The Contractor himself has undergone Safety Induction Training organized by the Employer's Safety Engineering Department in the preceding twelve months.
- b) The Contractor's workers, identified for particular work/department, have undergone Safety Induction Training in the preceding twelve months.
- c) The Contractor has arranged PPE and safety appliances for himself and all his workmen, as required.
- d) The Contractor possesses safety clearance certificate by the Employer or Employer's representative for which the "Work Clearance Form" (**ANNEXURE-1B**) shall be filled in in triplicate by the Contractor.
- e) The Contractor is not permitted to start the job without clearance from Employer's Safety Engineering Department.
- f) The Contractor shall possess handling equipment, tools and tackles of adequate capacity and tested quality as per statutory requirement.

2.8.2 Contractor shall obtain specific permission in accordance with IPSS:1-11-007-14 "Procedure for Permit to Work" and IPSS:1-11-005-14 "Procedure for Working at Height by Contractor's

Workers” from the Engineer or the Company’s Safety Department before commencing the following:

- a) Working in an operating plant/equipment
- b) Working at height
- c) Working in areas expected to have toxic/poisonous gases
- d) Major site activity irrespective of the clearance already obtained
- e) Wherever there are hazards of electricity, moving machinery etc.
- f) Any other job as per instruction of Executing Authority.

The contractor shall obtain the copies of the above IPSS procedures from the Engineer/ the Safety Engineering Department/ from IPSS Website.

2.8.3 The executing department shall take necessary shutdown of operating plant before commencement of job in that area. The Contractor shall ensure that the shut-down/clearance is taken before sending workers to such locations where there is possibility of hazards of gases, electricity, moving machinery etc.

## 2.9 SKILL & COMPETENCE OF WORKMEN

2.9.1 The Contractor shall be responsible to engage competent and skilled workers.

2.9.2 Before starting the day’s job, the Contractor shall ensure that safety briefing has been done to his workers by himself or his supervisors who have been imparted Safety Induction earlier and also maintain records to this effect.

## 2.10 PHYSICAL FITNESS OF WORKMEN

2.10.1 The Contractor shall ensure that his employees/workmen subject themselves to such medical examination as required under the law or under the Company’s rules and keep a record of the same.

2.10.2 The Contractor shall not permit any employee/workman to enter the work area under the influence of alcohol.

## 2.11 DEALING WITH ACCIDENT

2.11.1 The Contractor shall maintain a safety register, keep records of all minor or major accidents, serious or averted (near miss) accidents, with or without injuries to human beings and shall submit a report about the accidents to the Engineer promptly, on the form prescribed by the Employer.

2.11.2 The Contractor’s supervisor/officer incharge shall arrange to take the injured person first to Plant Medical Unit with IOW (Injury on Work) form given as per **ANNEXURE-1C** and under no circumstances, take the injured person directly to his own doctors. The information of fatal accident shall be given as per **ANNEXURE-1D**.

2.11.3 The Contractor shall not interfere with the site of accident, unless inspected and/or permitted by the competent authorities.

2.11.4 The Contractor shall arrange to avoid any sort of commotion at site in the event of an accident.

---

## 2.12 MISCELLANEOUS

### 2.12.1 Safety Records (Statutory Records)

The Contractor shall keep record of:

- i) Test certificates of all lifting M/c tools and tackles, Pressure Vessels, etc.
- ii) Periodical inspection report of Safety appliances.
- iii) Maintaining accident analysis report, in proper format in consultation with Employer's Engineer.
- iv) Safety record as per Factory Rules/Safety Codes or any other statutory provision shall also be maintained. However, necessary help in this regard can be taken from the concerned Safety Organization.

### 2.12.2 Gas Lines

To work in dangerous gas lines e.g. Coke Ovens gas line, Blast Furnace gas line, LD gas line etc., Employer will provide job specific safety Training to the Contractor's personnel.

### 2.12.3 Electrician/Other Electrical Personnel

The Contractor shall engage qualified and competent electricians and other electrical personnel while working on electrical lines (which may be High Tension, Medium Tension and Low Tension electrical lines) for safe execution of contract. The electricians and other electrical personnel must possess requisite certificate issued from competent authority.

#### Electrical Equipment

- a) The Contractor shall ensure proper earthing of all electrical equipment/machinery prior to start of the machine. The Contractor shall also ensure daily examination of the earthing of equipment/machinery prior to start of the job in order to avoid electrical hazards.
- b) The Contractor shall ensure use of proper cable (may be welding cable or power cable or control cable). The joints of the cables shall be perfectly insulated. The Contractor shall also ensure the use of proper plugs, sockets and other electrical fittings while executing any contract.
- c) All portable electrical equipment including welding machine shall have provision of ELCB/RCCB.

### 2.12.4 Scaffolding/ Lifting/ Lowering/ Dismantling of Equipment or Fabricated Structural or any other materials

- i) For safe execution of the contract, Contractor shall make a safety plan for the job, in sequence of steps involved in execution and the required safety measures to be taken during the execution of the job.
- ii) The Contractor shall ensure the use of proper and sufficiently strong scaffoldings, working platform, hand railings as per relevant BIS Standard during the execution of the job.



The Contractor shall ensure the use of scaffoldings. If the scaffolding as per the standard is not found at site, the Contractor shall make necessary modifications to strengthen the same.

For any Civil Engineering job, the Contractor will provide adequate support before casting or any superstructure and provide approach, scaffolding etc, in such a manner that it is safe, easy for movement of men, women and materials.

- iii) The Contractor shall make his own arrangement for the area lighting/spot lighting at Fabrication Yard. The Employer will provide power source at one point only near to the Fabrication Yard.
- iv) The Employer will provide area lighting at erection site only. The Contractor shall make his own arrangement for spot lighting. The source of power supply at the nearest possible point will be shown by Engineer at site.

#### 2.12.5 House Keeping

- i) The Contractor shall ensure good house keeping in his working area, fabrication yard as well as at erection site. The safe approach to the working place must be ensured. Place for keeping raw materials, finished materials, semi-finished materials should be clearly marked with proper identification. Machine component shall be kept properly under shed.
- ii) The Contractor shall keep the scrap materials at one place duly barricaded and shall remove the same regularly from the workplace.
- iii) The Contractor shall stack properly the fabricated or any other items and maintain safe stack height in stable condition in consultation with Executing Authority, The stacking shall be done in such a way that the materials do not cause congestion at site or create unsafe condition for free safe approach.
- iv) The Contractor should put up a board (4' x 3') indicating Contact/ Mobile No., the name of the Contractor, details of the job, Order No., starting date and likely completion date of the job. On completion of the job, the Contractor shall clear the site (good materials and scrap). The board so displayed shall be taken out of the site. Any material left after the job is over will be picked up by the Employer and the Contractor will be charged back for the same.
- v) Removal of muck shall be done within 24 hours from road sides.
- vi) The Contractor shall be responsible for removing all unwanted materials/scaffolds from work site.
- vii) The Contractor shall issue written as well as oral instructions from time to time, in addition to the precautions, measures spelt out above so as to ensure that the workers adhere to safety norms specifically needed for the particular job during the execution of the work.

#### 2.12.6 Barricade

- i) The Contractor shall ensure barricade of the unsafe area, which can lead to accident to any person working in that area. In order to remove unsafe condition and prevent accident, The unsafe area such as trench/pit/foundation, any type of opening made or left in any floor of the building including staircase etc must be barricaded.
- ii) The hand railings shall be immediately provided in all the floors, stairs, etc before proceeding for further erection/dismantling.

- 2.12.7 The contractor shall ensure that compressed air is not used for removing dust from one's clothes. Compressed air shall not be blown against anyone as it may injure or even kill him/her.
- 2.12.8 The contractor shall provide, maintain and arrange for periodical checking of adequate numbers of fire extinguishers of appropriate type and other facilities (e.g. sand buckets, asbestos covering etc) in fire prone areas.
- 2.12.9 The contractor shall provide clearly demarcated access and exits at work site to take care in case of outbreak of fire or any other eventuality.
- 2.12.10 The contractor shall ensure that smoking or keeping of naked light near gas lines, valves and any other equipment connected with the gas distribution system and handling of all inflammable material is strictly prohibited.
- 2.12.11 The contractor shall ensure that no one takes rest/shelter below any dumped slag boulder or any other cut pit/excavation, near any stock of materials, electrical installations and gas lines, etc.
- 2.12.12 The contractor shall ensure the availability of first aid box at the working sites.
- 2.12.13 Adequate no. of Safety Signage's/caution board indicating the hazards and their preventive measures to be prominently displayed at the place of work preferably in local languages.
- 2.12.14 In case shifting of contract workers from one place of work to other place, necessary safety inputs pertaining to the new jobs to be imparted.
- 2.12.15 The contractor shall ensure that all person deployed by him are confined to the designated place for the period of work.

### **3.0 MEMORANDUM OF UNDERSTANDING (MOU)/ AGREEMENT**

- 3.1 A Memorandum of Understanding/ agreement shall be signed between the Contractor and the representative of the Contracts Department (on behalf of the Plant) before the award of the contract wherever deemed fit.
- 3.2 Points from **2.2** to **2.12** in the aforementioned procedure shall be part of any such MOU/ agreement.
- 3.3 Blue Print of such MOU/ agreement is placed as Annexure-2.

**ANNEXURE-2**

(Name of the Company/Plant)

**Memorandum of Understanding between \_\_\_\_\_ and the Contractor for safe execution of contract work**

This Memorandum of Understanding is made and executed by and between \_\_\_\_\_, a Company and/or Plant registered under the Companies Act 1956 and/or Factories Act 1948 and having its registered office at \_\_\_\_\_ or their authorized representative(s)], hereinafter referred to as “EMPLOYER” (which expression shall wherever the context so requires or admits be deemed to mean and include its successors in business and assigns) of the one party

AND

M/s \_\_\_\_\_ having its registered office at \_\_\_\_\_ hereinafter referred to as the “CONTRACTOR” (which expression shall wherever the context so requires or admits be deemed to mean and include its successors in business and assigns) of the other party.

WITNESSETH THAT

WHEREAS the EMPLOYER gives highest importance to the safety in execution of work, seeks cooperation from the CONTRACTOR in this Endeavour.

Thus, this Memorandum of Understanding is for promoting the safety aspects required to be followed at workplace/site and will be applicable to any site job to be done by the CONTRACTOR

AND

WHEREAS the CONTRACTOR has read all the terms and conditions of the EMPLOYER and whereas the CONTRACTOR has studied the following documents:

- a) Tender Documents, Enquiry/Order Specification including General Conditions.
- b) “General Safety Rules”, “Safety Rule for Construction Work” and “Electrical Safety Guide”.
- c) \_\_\_\_\_ Factory Rules 19\_\_\_\_, Factories Act 1948, Indian Electricity Rules 1956.

The amendments to any of the above rules and any other rules & regulations or procedures, Circulars, Notices & Advices laid down by the EMPLOYER from time to time whereas these documents are included as Annexure to this Memorandum of Understanding.

Now it is hereby AGREED AND DECLARED by and between the EMPLOYER and the CONTRACTOR as follows:

Clause-I The CONTRACTOR shall abide by the terms and conditions stipulated in “Annexure to Memorandum of Understanding between EMPLOYER and the CONTRACTOR for the safe execution of the contract work (\_\_\_\_\_ 2001)”.

Clause-II The CONTRACTOR shall undertake full responsibility for safe execution of job at workplace/site and safety of his personnel from the time he enters the gates of \_\_\_\_\_ till the time he leaves the Works gates after his duty.

Clause-III Without giving any prior notice, the EMPLOYER shall from time to time be entitled to add/or amend any or all terms and conditions with a view to improving safety of personnel and safety of work, with immediate effect and the same shall be binding on the CONTRACTOR. The CONTRACTOR agrees to implement all such amendments which shall be laid out by the EMPLOYER.

Clause-IV Besides following the guidelines, safety rules and regulations, safety codes given in various safety procedures/documents mentioned above, the CONTRACTOR shall also prepare a job safety analysis wherever there are complicated and hazardous working involved. The CONTRACTOR shall consult executing agency, supervisors of Safety and Accident Prevention Services Department and officers from specialized agency of EMPLOYER in preparing such documents.

In witness thereof the Parties hereto by representatives duly authorized have executed this Memorandum of Understanding on \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_.

Signed on

Signed on

For and on behalf of

For and on behalf of (contractor)

\_\_\_\_\_

\_\_\_\_\_

Signature:

Signature:

Name:

Name:

Title:

Title:



(Name of the organization) (Name  
of the unit)

**SAFETY INDUCTION FORM**

Safety Induction to the Contractor for starting a job

1. Name, address & contact no. of the Contractor :
2. Contract/Award Letter/Work Order No. :
3. Name of Department awarding Contract :
4. a) Probable date of starting job :  
b) Duration :
5. Place & Nature of work :
6. Name & Designation of supervisors  
i) Department (1) (2)  
ii) Contractual (1) (2)
7. Necessary safety precautions explained :
8. Safety appliances advised for usage to the Workers :

Safety Engineering Department

I have gone through the Safety Rules Book for Contractors and received a copy of the same. I shall follow all safety precautions/instructions given to me and shall be responsible for safety of my staff/employees/workmen.

Signature of the Contractor

Certified that requisite Safety Appliances are available with workers and Contractor is permitted to start the work.

Signature of Engineer

Certified that the requisite Safety Appliances shall be used and safety precautions/measures shall be adopted.

Safety Officers of Employer

Copy to:

1. Safety Department
2. Operation/Works Department
3. Contractor with one spare copy



(Name of the organization)  
(Name of the unit)

WORK CLEARANCE FORM FOR CONTRACTORS

1. Name of Contractor's firm with address & contact no. :
2. Engaged by which Department :
3. Name of the Representative/Supervisor :  
of the Contractor supervising the job
4. Precise nature of work to be carried :  
out/work order reference
5. Precise location of work :
6. Proposed date & time of commence- :  
ment of work
7. Expected number of days required :  
for the work
8. Whether Contractor's workers are to be :  
engaged in G/A/B/C shifts and No. of  
people engaged

I accept responsibility for ensuring that all men under my control shall observe the statutory safety requirements and follow the safety instructions of the plant.

Date:

Signature of the Contractor

Certified that the Contractor has been engaged by us for the work described above.

Date:

Signature of the Engineer  
Certificate to be given by the  
Deptt/Section where work is to  
be carried out

You are authorized to carry out the work described below.

Date:

Signature of Safety Officer  
of the Employer

---

ANNEXURE-1B (CONTD)  
(WORK CLEARANCE FORM FOR CONTRACTORS)

**Note:**

1. The form shall be filled in TRIPLICATE by the Contractor for the record of (i) Safety Engg. Deptt. (ii) Deptt/Section granting clearance (iii) Contractor
2. These certificates are not a substitute for the Electrical Permits and do not give permission to use masked lights or work in gas hazardous areas or enter closed vessels or for explosives, which shall be taken separately wherever required.



(Name of the organization)  
(Name of the unit)

**INJURY ON WORK**  
**(Contractor's Employees)**

1. Name of the Firm :
2. Name of the Contractor & contact no. :
3. Name of Deptt (awarding contract) :
4. Name of injured person :
5. Designation, Gate Pass No./Token No., ESIC NO. :
6. Date & time of accident :
7. Deptt where accident happened :
8. Exact place of occurrence :
9. Eye witness (name & designation) (1)  
(2)
10. Persons informed (1)  
(2)
11. Brief account of the accident :

Signature of the Contractor/  
Contractor's Supervisor

Date:

Name:

-----  
(PARTICULARS TO BE FILLED IN BY MEDICAL OFFICER)

1. Nature of injury :
2. The injured person is FIT/UNFIT to  
return to duty :
3. If unfit, period of rest recommended :
4. This employee has been notified that  
He is FIT/UNFIT as per SI.No. 2  
(strike out which is not applicable)

Date:

Signature of the Medical Officer  
Name:



---

ANNEXURE-1C (CONTD)  
(INJURY ON WORK)

**Note:**

1. When an injury occurs to a Contractor's employee while inside the factory, the injured person should be sent to Plant Medical Unit immediately, with this form in triplicate.
2. The Medical Officer on duty at Plant Medical Unit will retain one copy and sent one copy to Safety Engineering Department. The third copy shall be returned to the Contractor concerned after duly filling up the forms.

In case the Contractor takes the injured person to his private doctor, he shall do so by giving a written undertaking to the doctor in Plant Medical Unit and to the Manager Safety Engineering Department.

If the private doctor declares the injured person unfit for duty for more than 2 days, this becomes reportable accident under the Factories Act and the Contractor shall immediately report this to the Manager, Safety Engg Deptt for sending the reports to concerned Govt agencies.

The Contractor shall also keep the Manager (Safety) informed about:

- a) The condition of the injured person
- b) The period of disability, and
- c) Any loss of earning capacity certified by the doctor

The Contractor shall produce the fitness certificate from the attending doctor after the injured person has been declared fit for duty.



(Name of the organization)  
(Name of the unit)

**NOTICE OF FATAL ACCIDENT**  
**(Contractor's Employees)**

Date:

From: (Name, address& contact no. of the contractor)

To:  
The Engineer  
(Superintendent/Manager)

Dear Sir,

We regret to inform you that Shri \_\_\_\_\_, an employee of M/s \_\_\_\_\_ met with a fatal accident at \_\_\_\_\_ AM/PM, dated \_\_\_\_\_ at \_\_\_\_\_. At the time of accident, he was engaged in \_\_\_\_\_ (description of work) and

Contact No. \_\_\_\_\_

Name \_\_\_\_\_

Fathers Name \_\_\_\_\_

Address \_\_\_\_\_

Age \_\_\_\_\_

ESIC NO. \_\_\_\_\_

GATE PASS No. \_\_\_\_\_

Designation \_\_\_\_\_

Work Order \_\_\_\_\_

Name & Relation  
of Next Kin \_\_\_\_\_

Yours faithfully,  
Signature of the Contractor or  
Contractor's Supervisor

**Penalty Clauses in Project Contracts for  
Violation of Safety Norms**

**1. Introduction**

The entire range of safety violations in the Projects area has been categorised as follows:

**A. Minor safety violations:**

- i. Basic safety violations covering non-usage of quality Personal Protective Equipment (PPE)
- ii. Others: as detailed in **Appendix-A1**.

**B. Major safety violations: as detailed in Appendix-A2.**

C. Serious/ lost time injury to Contractor's employees on job/road in the Projects area caused as a result of above violations and as reported by concerned Department/ HoD or Safety Engg. Dept.

D. Fatal accident/ permanent disability at the Projects area/road caused due to negligence of Contractor or their employees as reported by Department/HoD or Safety Engg. Dept in consultation with Operating Authority for the Contract.

E. Property damage cases

**2. Penalty Clauses for Project Contracts (valued at Rs. 1 lakh and above):**

<b>Category of Violation</b>	<b>Penalty per Violation (Rs.)</b>
A. <u>Minor safety violations</u>	
a) Basic safety violations covering non-usage of quality PPE	Rs.500/- per person for first violation & Rs.1000/- per person for each subsequent violation.
b) Others	Rs.5,000/- for first violation and Rs. 10,000/- for each subsequent violation.
B. Major safety violations	Rs.15,000/- for first violation and Rs. 20,000/- for each subsequent violation.
C. Serious/ lost time injury to Contractor's employees on job/ road in the Projects area caused as a result of safety violations	Fine of Rs. 25,000/- or 0.5% of the contract value, whichever is higher, for each incident, subject to a maximum of Rs.1 lakh.
D. Fatal accident/ permanent disability at the Projects area/road caused due to negligence of Contractor or their employees	<ul style="list-style-type: none"> <li>• Rs.3 lakh or 10% of the contract value, whichever is higher, per person, subject to a maximum of Rs.10 lakh.</li> <li>• Enquiry Committee shall be formed by each Plant/ Unit and further actions like debarring/ banning/ black-listing will be taken as per the recommendations of the Enquiry Committee.</li> </ul>
E. Property damage cases	If the Contractor or their employees cause any damage to Company property(-ies), the <i>repair/ replacement/ cost</i> towards the property(-ies) shall be recovered from the Contractor.

**3. Notes:**


- a. **For contracts valued less than Rs. 1 lakh, decision regarding quantum of penalties may be taken by the concerned Plant/ Unit.**
- b. Subsequent violation means violation of similar type/ nature.
- c. The decision of Project Manager on the safety violation shall be final.
- d. The lists of items included in 'Minor' and 'Major' violations are only indicative and can be made more elaborate by the respective Safety Engg. Deptts. in consultation with operating authorities as per their requirement.

**Minor Safety Violations (Others)**

1. Engaging workers without proper safety induction training
2. Unauthorized entry to hazardous location
3. Blocking access of emergency equipment or exits
4. Using damaged electrical cables or faulty joints in cables
5. Connection taken from board without proper plug
6. Hand gloves not used during material handling
7. Gas cutting without goggle
8. Not using flashback arrestor in cutting sets
9. Rolling/ lifting of cylinder/ dragging on the ground (without cage)
10. Welding with non-standard holder
11. Taking electrical connection without using ELCB/RCCB
12. Gas hose pipe clamping done by wire, instead of clamp
13. Using expired gas cylinder
14. Wet bags not put on gas cylinder
15. Condition of oxygen/ fuel hose pipe in gas cylinders not good
16. Not putting red flags/ stopper in dangerous areas
17. Not having proper gate passes/ other area passes
18. Use of damaged slings/ tools/ ropes
19. Use of material handling equipment for lifting the persons
20. Use of hand grinders/ mixer machines which are without guard & proper earthing
21. Non-reporting of accident/ near miss cases
22. Persons working under suspended loads
23. Taking shelter behind electrical panels/ inside motor rooms
24. Traffic violations (over-speeding, wrong parking, negligent driving and driving of heavy vehicles on the main road during restricted hours)
25. Dumping excavated earth on the edge of excavation
26. Dropping/ spillage of material on the road
27. Inadequate road worthiness of mobile equipment/ vehicles
28. Not barricading area around breakdown vehicles

**Major Safety Violations**

1. Using bamboos or other non-standard material for scaffolding
2. Railing not given at working platforms
3. Working at height without height pass
4. Non-usage of Full Body Harness (FBH) for working at height (roof sheeting, painting, maintenance jobs, etc.)
5. Life-line for anchorage of FBH not provided
6. Not anchoring the lanyards of FBH with lifelines
7. Floor opening left unguarded
8. Work permit not obtained for hazardous jobs
9. Not complying with written instruction on the work permit
10. Absence of supervisor at work in hazardous areas like confined space, height jobs etc.
11. Proper ladder/ approach not given for working at height
12. Walkways/ cross-over path not provided
13. Inadequate sloping/ shoring of excavated pits as per approved plan
14. No barricading of excavated pits
15. Dismantling of structure without authorized plan
16. Sleeping under transport vehicles
17. Driving vehicles/ working in intoxicated condition
18. Smoking in the non-smoking/ restricted areas
19. Fitness certificate of cranes/ heavy vehicles not available
20. Tampering with existing operational facility
21. Starting the job without approved Protocol for Working at Hazardous / Operational area

INTER PLANT STANDARD – STEEL INDUSTRY		
 IPSS	<b>SAFETY IN CONTRACT WORKS IN MINES</b>	<b>IPSS: 1-11-010-14</b> <b>(First Revision)</b>
	Corresponding IS does not exist	1-11-010-01

## 0. FOREWORD

- 0.1 This Inter Plant Standard formulated by the Standards Committee on Personnel Safety Appliances & Procedures, IPSS 1:11, with the active participation of the mining and safety engineers/officers of the Raw Materials Departments from various steel plants, was adopted in May 2001 and first revision done in October, 2014.
- 0.2 This is one of the series of Inter Plant Standards in the area of safety in mines involved in raw material supply to the steel plants and providing guidance to all concerned in accident prevention.

## 1. SCOPE

- 1.1. Safety is the responsibility of the Contractor and his staff / employees / workmen engaged/deployed for execution of work under the Contract, individually and collectively. For this purpose, the Contractor staff means and includes all its Associates/Sub-contractors/Vendors/Sub-vendors and their staff/employees/Workmen deployed for execution of the work covered under the Contract. The Contractor shall ensure that his workmen participate in the safety awareness programmes, health care programmes and safety training programmes whenever such programmes are organized by the employer or the contractor.

## 2. PROCEDURE

### 2.1. General Requirement

- 2.1.1. Contractor shall ensure that a copy of the Safety Codes is handed over to Associates/Sub-contractors/Vendors/Sub-vendors working under his control for the execution of the contract and this will also be available with the safety coordinator. The contractor shall also ensure that its Associates/Sub contractors/vendors/sub-vendors shall abide by the safety codes, safety rules and instructions of the employer as per statutory act, rules, regulations & Circulars applicable in Mines
- 2.1.2. The Contractor and his Associates/sub-contractors/vendors/sub-vendors shall observe all precautions and provide adequate supervision pertaining to safe working and safety of their staff/employees/workmen on the work and also safety of assets and employer's equipment while executing the work. Statutory supervision shall be provided by the employer/his representative in mines.
- 2.1.3. The Contractor shall ensure that their staff/employees/workmen function effectively towards their own safety as well as safety of their co-workers and other persons working in the area, including the areas in the vicinity which may become unsafe due to their activities.

- 
- 2.1.4. The contractor shall designate either himself or a person as SAFETY COORDINATOR who shall maintain regular liaison with the Employer (Engineer i.e. person appointed by the employer in the manner provided in contract and to perform the duties delegated by the Employer and Safety Engineering Department of employer) to ensure the implementation/compliance of the Safety Codes and existing as well as latest instruction of the employer on safety.
- 2.1.5. The contractor shall, in accordance with prescribed procedure, obtain Gate Passes from the competent authority who shall make it available to the contractor and his staff/employee/workmen to enter the work- area. The Validity of photo pass shall be applicable till the duration of contract.
- 2.1.6. The contractor shall be fully responsible for accidents caused due to his or his agent's or workmen's negligence or carelessness in regard to the observance of safety requirements and shall be liable to pay compensation for injured person.
- 2.1.7. The contractor shall motivate and encourage his employees/workmen to make personal contribution towards enhancing safety on the basis of their knowledge and experience.
- 2.1.8. The contractor shall have adequate number of pocket sized safety cards containing safety instructions prepared on the basis of employer's model safety book for contractor's workers in Hindi or regional languages as may be required and shall issue them to all his employees/workmen and ensure that they read it before commencing the work. The safety instructions from the safety card shall be read and explained by the contractor or his representative to those employees/workmen who are illiterate and cannot read and ensure that these have been understood.
- 2.1.9. The contractor shall ensure that drums or other make-shift arrangement are not used in place of ladder or work benches or supports for any job.
- 2.1.10. The contractor shall ensure that compressed air/ Oxygen/ any other pressurized line are not used for removing dust from one's clothes. Compressed air/ Oxygen/ any other pressurized line shall not be blown against anyone as it may injure or even kill him/her.
- 2.1.11. The contractor shall ensure that if a workman, in the course of his work, encounters condition of unusual hazard with which the worker is not familiar, he shall contact the supervisor for advice before proceeding further.
- 2.1.12. The contractor shall particularly ensure that the contractor himself or his workmen do not operate any equipment, if not authorized. The contractor shall not start the work without a written permit from the engineer or his authorized representative (ENCLOSURE - A).
- 2.1.13. The Contractor shall follow all special safety precautions issued by the Executing Authority or his site Engineer from time to time.
- 2.1.14. Whenever working at height is involved, the contractor shall adhere to IPSS:1-11-005-14 'Procedure for working at height for contractor's workers and IPSS: 1-11-006-14 'Guidelines for working in a Confined Space'.

## 2.2. PPE & SAFETY APPLIANCES

- 2.2.1. The contractor shall provide all the PPE (Personal Protective Equipment) and Safety appliances required to carry out the job to all the workmen deployed by the contractor and also ensure that his workmen use those PPE and safety appliances while on the job.
- 2.2.2. The standard of PPE and safety appliances supplied by the contractor must conform to any one of the following (in order of preference):
- a) DGMS
  - b) BIS/ Equivalent International Standard
  - c) IPSS
  - d) As per advice and design by the Safety Deptt. of the Company.
- 2.2.3. Arrangements of supply of proper type of PPE and appliances shall be made by the contractor prior to the actual start of the job and Safety Deptt. of Company will physically check the same.
- 2.2.4. If at any stage, the contractor fails to provide proper type of PPE and safety appliances, the Company may procure and distribute the same as per requirement, with prior intimation to the contractor. In such case, the cost of items plus the other cost incurred on procurement shall be deducted from the bill of the contractor.

## 2.3. SITE CLEARANCE

- 2.3.1. Prior to commencement of work, the contractor shall obtain clearance from the Safety Officer of the Employer and concerned Deptt./ Section of the Employer where the job is to be carried out. The Employer/Engineer shall not permit the contractor to commence the work unless contractor or its representative produces such clearance certificate. The department concerned shall grant such clearance after ensuring that:
- a) The contractor or his chief representative has undergone Safety Awareness briefing with the Employer's Safety Officers In the preceding twelve months with respect to the awarded work.
  - b) The contractor's workers, identified for particular work/department, have undergone basic/refresher Safety Training in the preceding five years.
  - c) The contractor has arranged PPE and safety appliances for himself and all his workmen, as required.
  - d) The Contractor possesses work permit issued by the Employer or Employer's representative for which the "Work Clearance Form" (ENCLOSURE - C) shall be filled-in triplicate by the Contractor. The Contractor is not permitted to start the job without clearance from Employer's Safety Officer.
  - e) The contractor shall possess handling equipment, tools and tackles of adequate capacity and tested quality as per statutory requirement.



2.3.2. The contractor shall obtain specific permission from the Engineer and Safety Officers before commencing the following :

- a) Working in an operating Plant
- b) Working at height
- c) Working in areas expected to have toxic/poisonous gases
- d) Major site activity irrespective of the clearance already obtained
- e) Wherever there are hazards of electricity, moving machinery etc.
- f) Underground working
- g) Any other job as per instruction of Executing Authority.

The contractor shall obtain the copies of the above IPSS procedures from the Engineer/ the Safety Engineering Department/ from IPSS Website.

2.3.3. The executing Deptt. Shall take necessary shutdown of operating Plant before commencement of job in that area.

#### **2.4. SKILL & COMPETENCE OF WORKMEN**

2.4.1. The contractor shall be responsible to engage competent and skilled workers.

2.4.2. Before starting the day's job, the Contractor shall ensure that safety briefing has been done to his workers by himself or his supervisors who have been imparted Safety Induction earlier and also maintain records to this effect.

#### **2.5. PHYSICAL FITNESS OF WORKMEN**

2.5.1. The contractor shall ensure that his employees/workmen subject themselves to such medical examination as required under the law or under the Company's rules and keep a record thereof.

2.5.2. The Contractor shall not permit any employee/workman to enter the work area under the influence of alcohol.

#### **2.6. DEALING WITH ACCIDENT**

2.6.1. Any accident shall immediately be reported to Safety Officer/Mines official. All other procedure shall be followed as per Mines Act, Rules, Regulations and Circulars.

2.6.2. The contractor shall not interfere with the site of accident, unless inspected and/or permitted by the competent authorities.

2.6.3. The contractor shall arrange to avoid any sort of commotion at site in the event of an accident.

2.6.4. The Contractor shall maintain a safety register, keep records of all minor or major accidents, serious or averted (near miss) accidents, with or without injuries to human beings and shall submit a report about the accidents to the Engineer promptly, on the form prescribed by the Employer.

## **2.7. MISCELLANEOUS**

- 2.7.1. The contractor shall ensure prohibition of smoking or keeping of naked flame near gas lines, valves and any other equipment connected with the gas distribution system and handling of all inflammable material shall strictly prohibited and ensure its compliance.
- 2.7.2. The contractor shall ensure that horse-play of any kind and unauthorized movement is prohibited inside the Mine. No one shall distract the attention of others on work.
- 2.7.3. The contractor shall ensure that no one takes rest/shelter below any pit/excavation, Railway Wagons, overhang/undercuts, parked vehicles, electrical installations etc.
- 2.7.4. The contractor shall ensure the availability of first aid box at the working sites. Adequate no. of Safety Signage's/ caution board indicating the hazards and their preventive measures to be prominently displayed at the place of work preferably in local languages.
- 2.7.5. In case shifting of contract workers from one place of work to other place, necessary safety inputs pertaining to the new jobs to be imparted.

### **2.7.6. Safety Records (Statutory Records)**

The Contractor shall keep record of:

- i) Test certificates of all lifting M/c tools and tackles, Pressure Vessels, etc.
- ii) Periodical inspection report of Safety appliances.
- iii) Maintaining accident analysis report, in proper format in consultation with Employer's Engineer.
- iv) Safety record as per Mines Act, Rules, Regulations and Circulars or any other statutory provision shall also be maintained. However, necessary help in this regard can be taken from the concerned Safety Organization.

### **2.7.7. Electrician/Other Electrical Personnel**

The Contractor shall engage qualified and competent electricians and other electrical personnel while working on electrical lines (which may be High Tension, Medium Tension and Low Tension electrical lines) for safe execution of contract. The electricians and other electrical personnel must possess requisite certificate issued from competent authority.

#### **Electrical Equipment**

- a) The Contractor shall ensure proper earthing of all electrical equipment/machinery prior to start of the machine. The Contractor shall also ensure daily examination of the earthing of equipment/machinery prior to start of the job in order to avoid electrical hazards.

- b) The Contractor shall ensure use of proper cable (may be welding cable or power cable or control cable). The joints of the cables shall be perfectly insulated. The Contractor shall also ensure the use of proper plugs, sockets and other electrical fittings while executing any contract.
- c) All portable electrical equipment including welding machine shall have provision of ELCB/ RCCB.

#### **2.7.8. Scaffolding/ Lifting/ Lowering/ Dismantling of Equipment or Fabricated Structures or any other materials**

- i) For safe execution of the contract, Contractor shall make a safety plan for the job, in sequence of steps involved in execution and the required safety measures to be taken during the execution of the job.
- ii) The Contractor shall ensure the use of proper sufficiently strong scaffoldings, working platform, hand railings as per relevant BIS Standard during the execution of the job.

The Contractor shall ensure the use of scaffoldings.

If the scaffolding as per the standard is not found suitable at site, the Contractor shall make necessary modifications to strengthen the same.

For any Civil Engineering job, the Contractor will provide adequate support before casting or any superstructure and provide approach, scaffolding etc, in such a manner that it is safe, easy for movement of men, women and materials.

- iii) The Contractor shall make his own arrangement for the area lighting/spot lighting at Fabrication Yard. The Employer will provide power source at one point only near to the Fabrication Yard.
- iv) The Employer will provide area lighting at erection site only. The Contractor shall make his own arrangement for spot lighting. The source of power supply at the nearest possible point will be shown by Engineer at site.

#### **2.7.9. House Keeping**

- i) The Contractor shall ensure good house keeping in his working area, fabrication yard as well as at erection site. The safe approach to the working place must be ensured. Place for keeping raw materials, finished materials, semi-finished materials should be clearly marked with proper identification. Machine component shall be kept properly under shed.
- ii) The Contractor shall keep the scrap materials at one place duly barricaded and shall remove the same regularly from the workplace.
- iii) The Contractor shall stack properly the fabricated or any other items and maintain safe stack height in stable condition in consultation with Executing Authority. The stacking shall be done in such a way that the materials do not cause congestion at site or create unsafe condition for free safe approach.

- iv) The Contractor should put up a board ( 4' x 3') indicating Contact/ Mobile No. the name of the Contractor, details of the job, Order No., starting date and likely completion date of the job. On completion of the job, the Contractor shall clear the site (good materials and scrap). The board so displayed shall be taken out of the site. Any material left after the job is over will be picked up by the Employer and the Contractor will be charged back for the same.
- v) Removal of muck shall be done within 24 hours from road sides.
- vi) The Contractor shall be responsible for removing all unwanted materials/scaffolds from work site.
- vii) The Contractor shall issue written as well as oral instructions from time to time, in addition to the precautions, measures spelt out above so as to ensure that the workers adhere to safety norms specifically needed for the particular job during the execution of the work.

#### **2.7.10. Barricade**

- i) The Contractor shall ensure barricade of the unsafe area, which can lead to accident to any person working in that area. In order to remove unsafe condition and prevent accident, The unsafe area such as trench/pit/foundation, any type of opening made or left in any floor of the building including staircase etc must be barricaded.
- ii) The hand railings shall be immediately provided in all the floors, stairs, etc before proceeding for further erection/dismantling.

2.7.11. The contractor shall ensure that compressed air is not used for removing dust from one's clothes. Compressed air shall not be blown against anyone as it may injure or even kill him/her.

2.7.12. The contractor shall provide, maintain and arrange for periodical checking of adequate numbers of fire extinguishers of appropriate type and other facilities (e.g. sand buckets, asbestos covering etc) in fire prone areas.

2.7.13. The contractor shall provide clearly demarcated access and exits at work site to take care in case of outbreak of fire or any other eventuality.

2.7.14. The contractor shall ensure that smoking or keeping of naked light near gas lines, valves and any other equipment connected with the gas distribution system and handling of all inflammable material is strictly prohibited.

2.7.15. The contractor shall ensure that all person deployed by him are confined to the designated place and duration of work.

#### **2.8. LIABILITY**

2.8.1. The Contractor shall abide by the provisions of all statutory acts and rules as applicable and maintain Register & Documents, submit periodic Reports & Returns, furnish information/report relating to accidents occurring in the area of work to competent authority in time.

- 
- 2.8.2. The Contractor shall be liable for prosecution and penalty in accordance with and as prescribed under law of the land, terms & conditions of Contract as well as rules of the Company relating to safety, for not observing those provisions by the Contractor or its employees/workmen.
- 2.8.3. The Contractor shall keep the Company indemnified against all losses/claims due to accidents/injuries/damages caused at the Contractor's works site. He shall be fully responsible for accidents caused due to the Contractor or his agents' or workmen's negligence or carelessness in regard to the observance of the safety requirements and shall be liable to pay compensation for injuries.
- 2.8.4. The Engineer or the Head of the Safety Department or their authorized nominees, upon their satisfaction that the Contractor is not conforming to the Safety requirements, may direct stoppage of work and direct the Contractor to remedy the defects or supply the facility/equipment as the case may be. The Contractor shall not proceed with the work until he has complied with such directions to the satisfaction of the Engineer/Safety Department.
- 2.8.5. If a driver or any staff of the Contractor is caught in theft case or in any unauthorized movement of materials or in the activity which is punishable under the law or not authorized by the Plant, the Contractor shall bear the full responsibility for the loss and other consequences which may result to the Plant due to such illegal/unauthorized acts besides the action to terminate the contract by the Plant.
- 2.8.6. The Contractor shall be responsible to ensure that vehicles belonging to him are not driven in reckless or rash manner so as to become a potential threat to the safety of the traffic in the plant or township area. The drivers of the vehicles shall be made to adhere to the speed limits wherever applicable. Failure to comply with the above, may result in the termination of the contract.
- 2.8.7. In case of accident or injury or damages caused by the Contractor's vehicle or staff to any person or property, the financial responsibility to compensate be borne solely by the Contractor and this amount may, at the discretion of the competent authority of the Plant, be recovered from the bills or security or other deposits of the Contractor.
- 2.8.8. The Contractor shall ensure that all his employees/workmen are covered under 'ESIC Act' and shall pay compensation to his workmen as and when the eventuality for the same arises.
- 2.8.9. To ensure effective enforcement of the rules and regulations relating to safety precautions, the arrangements made by the Contractor shall be open to inspection by the Engineer or his representatives, Safety Engineer & Labor Officer.
- 2.8.10. The Contractor shall enclose along with his first bill a true copy of the Safety Induction Form (ENCLOSURE-B) duly certified by the Executing Authority regarding use of safety appliances, following of safety instructions and observance of all safety laws, failing which the bill will not be processed for payment.
- 2.8.11. Monetary Penalty will be imposed on the contractor on account of Safety Violation including fatal accident as per extent penal provision made for the purpose.



**PERMIT TO WORK ON EQUIPMENT**

I, \_\_\_\_\_, do hereby authorize Shri \_\_\_\_\_ And his workers of M/s \_\_\_\_\_ to work on (name & location of equipment/machine) from \_\_\_\_\_ AM/PM on \_\_\_\_\_ (date) to \_\_\_\_\_ AM/PM on \_\_\_\_\_ (date) .

I have taken all necessary precautions for the shutdown.

Signature  
(Contractor/his representative)

Signature of Engineer \_\_\_\_\_

Name \_\_\_\_\_

Designation \_\_\_\_\_

Date \_\_\_\_\_

Contact/Mobile No. \_\_\_\_\_

Copy to:

1. Contractor
2. Engineer
3. Office copy – for record.

**SAFETY INDUCTION FORM**

Name of Mine/Unit

Safety Induction to the Contractor for starting a job

1. Name, address & Contact No. of the Contractor
2. Contract/Award Letter/Work Order No.
3. Name of Department awarding Contract
4.
  - a) Probable date of starting job
  - b) Duration
5. Place & Nature of work
6. Name & Designation of supervisors  

Departmental (1)	(2)
Contractual (1)	(2)
7. Necessary safety precautions explained
8. Safety appliances advised for usage to the Workers

Safety Officers

I have gone through the Safety Rules Book for Contractors and received a copy of the same. I shall follow all safety precautions/instructions given to me and shall be responsible for safety of my staff/employees/workmen.

Signature of the Contractor

Certified that requisite Safety Appliances are available with workers and Contractor is permitted to start the work.

Signature of Engineer

Certified that the requisite Safety Appliances are being used and safety precautions/measures are being adopted.

Safety Officer of Employer

Copy to:

1. Safety Department
2. Operation/Works Department
3. Contractor with one spare copy.

Name of the Mine/Unit

**WORK CLEARANCE FORM FOR CONTRACTORS**

1. Name of Contractor's firm with address & Contact No. :
  2. Engaged by which Department :
  3. Name of the Representative/Supervisor of the Contractor supervising the job :
  4. Precise nature of work to be carried out/work order reference :
  5. Precise location of work :
  6. Proposed date & time of commencement of work :
  7. Expected number of days required for the work :
  8. Whether Contractor's workers are to be engaged in G/A/B/C shifts and No. Of people engaged :
- A. I accept responsibility for ensuring that all men under my control shall observe the statutory safety requirements and follow the safety instructions of the mine.

Date: \_\_\_\_\_ Signed Contractor

- B. Certified that the Contractor has been engaged by us for the work described above.

[Certificate to be given by the Engineer]

Date: \_\_\_\_\_ Signed Engineer

- C. You are authorized to carry out the work described below:

[Certificate to be given by the Deptt/Section where work is to be carried out]

Date: \_\_\_\_\_ Signed Employer

**NOTE:** The form shall be filled-in in TRIPLICATE by the Contractor for the record of (i) Safety Officer (ii) Deptt/Section granting clearance (iii) Contractor

These certificates are not a substitute for the Electrical Permits and do not give permission to use masked lights or work in gas hazardous areas or enter closed vessels or for explosives, which shall be taken separately wherever required.



---

**GUIDELINES FOR SETTLEMENT OF CLAIMS FOR COMPENSATION IN RESPECT OF  
ACCIDENTS HAPPENING AT PLANTS/UNITS OF  
STEEL AUTHORITY OF INDIA LTD**

**1.0 Title**

These guidelines would be called as guidelines for settlement of claims for compensation in SAIL.

**2.0 Effective Date**

The guidelines would be effective from date of the approval by the Board of Directors i.e 27.3.2010.

**3.0 Applicability**

These guidelines govern the settlement of compensation claims arising out of accidents due to negligence on the part of SAIL, resulting into loss of life or permanent disablement to a member of general public in any premises owned/under the jurisdiction of the Plant/Unit of SAIL, where any official activity is being carried out/public service is being carried out.

**4.0 Definitions**

**4.1 Accident**

Any death of permanent disability resulting solely and directly from any unintended and unforeseen injurious occurrence caused due to negligence on the part of SAIL during the maintenance, operation and provisioning of any public service/official activity undertaken by the Plant/Unit of SAIL.

**4.2 Competent Authority**

Competent Authority means Chief Executive officer/Chief Executive of Plant/Unit.

**4.3 Dependent**

As defined in the Employee's Compensation Act, 1923.

**4.4 Designated Officer**

An Officer designated by the Competent Authority for the purposes of receiving and processing claims for compensation under the present Guidelines.

**4.5 Victim**

Any person who dies or suffers permanent disablement in an accident as defined in these guidelines.

**4.6 Permanent Disablement**

A disablement that is classified as permanent total disablement under the provision to Section 2 (1) of The Employee's Compensation Act, 1923.

**4.7 Detailed Accident Report**

The report prepared by the police within a period of 30 days from the date of accident as per Schedule-1 of these guidelines.

**Explanation** : For the purposes of the preparation of the detailed accident report, the word “injury as referred in Schedule-1 refers to permanent disablement” as mentioned in clause 4.6 of the Guidelines.

## **5.0 Extent of Liability**

5.1 On the occurrence of any ‘accident’ as defined under these Guidelines, the concerned Plant/Unit of SAIL shall notwithstanding anything contained in any other law, be liable to pay compensation to such extent as prescribed below:

- i) Rs. 10,00,000/- (Rupees Ten lakhs): In the event of death or permanent disability resulting from loss of both limbs.
- ii) Rs. 7,00,000/- (Rupees Seven lakhs). In the event of other permanent disability.

5.2 However, persons claiming compensation under these Guidelines shall not claim additional compensation from the Plant/Unit of SAIL under any other Regulation or Statute either directly or through a court of law. The claimant shall submit an undertaking to this effect before availing the compensation under these guidelines.

## **6.0 Procedure for settlement of claims in respect of compensation**

6.1 The victim or his/ her dependents would make an application within a period of 90 days of the accident to the Designated Officer of the Plant/Unit of SAIL under whose jurisdiction the accident had occurred. The application should be accompanied by the following documents.

- i) Proof of age of the victim
- ii) Death Certificate of the victim or Permanent Disability Certificate issued by the Medical Board authorized by the Government
- iii) Certified copy of FIR lodged in respect of the accident
- iv) Proof of applicant’s relation with the victim/Dependency Certificate

6.2 The Designated Officer may at his/her own discretion seek any further documents for settlement of claim to its satisfaction. Provided that where there are more than one dependent, the applicant must mention their name, addresses and relations with the victim and the Designated Officer may at the own discretion issue notices to all before releasing the compensation.

6.3 The Designated Officer on receipt of above application shall take into consideration the detailed Accident Report submitted by the Police Authority and would process the claim of compensation on priority basis but would not normally take more than 30 days for seeking the orders of the Competent Authority in any case.

6.4 The Designated Officer, in case where no application is received from the victim/dependents of victims, may on receipt of the detailed accident report proceed suo-moto to initiate the process for consideration for grant of the compensation to the victim/dependents of victim. The payment of compensation whether fully in cash or partly in cash and partly towards reimbursement of medical expenses shall be decided by the sanctioning authority.

6.5 With effect from the date of present Guidelines, all contract & agreements to be entered into by the Plant/Unit of SAIL with any person or agency for maintenance, operation and provisioning of service would invariably include a clause whereby any compensation paid under these guidelines shall be recoverable from such person, agency or firm.

6.6 In no case a claim for appointment in any of the Plant/Unit of SAIL by any of the dependents of the victim on compassionate grounds shall be entertained by the Plant/Unit.

## **7.0 Method of Disbursement of Compensation**

- 7.1 The amount of compensation so awarded shall be deposited to the Nationalized Bank or if the branch of a Nationalized Bank is not in existence, it shall be deposited in the branch of a scheduled commercial bank, in the joint or single name of the victim/dependent(s). Out of the amount so deposited, 75%, (seventy five percent) of the same shall be put in a fixed deposit for a minimum period of one year and the remaining 25% (twenty five percent) in savings account shall be available for utilization and initial expenses by the victim/dependent(s) as the case may be. Provided that in exceptional cases, amounts may be withdrawn before one year for domestic need/marriage in family/educational or medical needs of the beneficiary with the approval of Plant/Unit.
- 7.2 In the case of a minor, 75% of the amount of compensation so awarded shall be deposited in the fixed deposit and shall be drawn only on attainment of the age of majority by such dependent, but not before one year of the deposit provided that in exceptional cases, amounts may be withdrawn for educational or medical needs of the beneficiary with the approval of Plant/Unit.
- 7.3 The interest on the sum shall be credited directly by the bank in the saving account of the victim/dependent(s) on monthly basis. While on fixed deposit, banks would pay the interest on quarterly basis.

## **8.0 Appeal**

An appeal against the decision of the Designated Officer in respect of the amount of compensation or rejection of such claim shall be made to the Competent Authority within a period of 30 days of such decision. The Competent Authority would decide the same within 30 days of receipt of such appeal.

## **9.0 Saving**

The Board of Directors of SAIL reserve the right to withdraw, review, alter and/or amend the provisions of these guidelines, at any time without any notice.

<b>PART-III RELEVANT DOCUMENTS TO BE ATTACHED</b>	
1	First Information Report
2	Photographs of the scene of the accident from angles
3	Statement of the witnesses recorded by the Police
4	Scientific report, if the victim was under the influence of any liquor/drugs
5	In case of Death: <ol style="list-style-type: none"> <li>a. Post Mortem Report</li> <li>b. Death Certificate</li> <li>c. Photograph and proof of the identity of the Dead</li> <li>d. Proof of legal representative of the deceased</li> <li>e. Photograph, specimen signature attested by the bank and identity proof of the legal representative of the deceased</li> <li>f. Treatment of the deceased with name and address of the Hospital</li> <li>g. Bank account no. of the legal representatives of the deceased.</li> </ol>
6	In case of Injury <ol style="list-style-type: none"> <li>a. MLC (Medico legal cases)</li> <li>b. Multi angled photographs of the injured</li> <li>c. Photograph, specimen signature attested by the bank and identity proof of the injured.</li> <li>d. Disability Certificate</li> </ol>
7.	Any other relevant information

#### VERIFICATION

Verified at .....on this.....of.....that the contents of the above report are true and correct and the documents mentioned in Part III have been verified.

Station House Officer  
(Name and Stamp)

Assistant Commissioner of Police  
(Name and Stamp)

#### Draft Clause

In the event of accidents resulting into death or permanent disability of a member of general public caused solely and directly from any unintended and unforeseen injurious occurrence due to negligence on the part of the contractor in any premises owned/under the jurisdiction of Plant/Unit of SAIL where any official activity is being carried out/public service is being carried out, such contractor shall be liable to pay compensation as follows:

- i) Rs. 10,00,000/- (Rupees Ten Lakhs) : In the event of death or permanent disability resulting from loss of both limbs.
- ii) Rs. 7,00,000/- (Rupees Seven Lakhs) : In the event of other permanent disability.

---

## ACRONYMS

BDS	Bid Data Sheet
BG	Bank Guarantee
FAC	Final Acceptance Certificate
GCC	General Conditions of Contract
GTS	General Technical Specifications
ICC	International Chamber of Commerce
IFB	Invitation for Bids
Inco terms	International Commercial Terms
ITB	Instructions to Bidders
LC	Letter of Credit
LD	Liquidated Damages
LOA	Letter of Acceptance
PAC	Preliminary Acceptance Certificate
PG	Performance Guarantee
SBD	Standard Bidding Document
SCC	Special Conditions of Contract
TS	Technical Specifications



Steel Authority of India Limited  
Projects Directorate  
New Delhi

**OFFICE MEMORANDUM**

Proj/20/9939/00

Dated: 11.02.2021

**Sub: 'Reduction in value of Performance Security', 'No provisions for Bid Security/Earnest Money Deposit' and 'No provisions for Additional Performance Security in case of Abnormally Low Bids'.**

Department of Public Enterprises vide OM dated 19.11.2020 has forwarded the OMs dated 12.11.2020 issued by Department of Expenditure (DoE), on the following matters for compliance by CPSEs (copies attached):

- (i) Reduction in Performance Security from existing 5-10% to 3% of the value of the contract.
- (ii) No provisions regarding Bid Security should be kept in the Bid Documents in future and only provision for Bid Security Declaration should be kept in the Bid Documents.
- (iii) No provisions should be kept in the Bid Documents regarding Additional Security Deposit/Bank Guarantee (BG) in case of Abnormally Low Bids.

The modalities approved by the Competent Authority are as under:

**A) Performance Security:**

- (i) SAIL Contracts finalised based on Standard Bidding Document (SBD):

<b>Categorisation of SAIL Contracts</b>	<b>Action to be taken</b>
Existing Contracts wherein arbitration/court proceedings have already started	
Existing Contracts wherein disputes are contemplated: i.e. 'Notice of Conciliation/ Arbitration has been issued by either Party' or 'either of the Party has submitted written communication for resolving the dispute through dispute resolution mechanism stated in the Contract'	▪ Performance Security (i.e. Performance Guarantee as per SBD) not to be reduced.
Other Existing Contracts	
The Contracts for which SAIL has issued LOA or Contracts have been signed on or after 12.11.2020 (date of OMs by DoE) or for NITs where the Price-bids have been opened	▪ Performance Security to be reduced to 3%. ▪ Other terms shall remain unchanged.
Tenders which are under techno-commercial evaluation (price bids not opened) or NIT has been issued (pending TOD)	▪ Suitable amendment to be issued for reduction of Performance Security to 3% and modifying the Payment Terms as at Table-1.
NITs yet to be issued but awaiting issuance, based on SBD-2014	▪ Performance Security to be kept as 3% and Payment Terms to be modified as at Table-1.
NITs yet to be formulated (to be based on SBD-2020)	▪ Performance Security to be taken as 3% and Payment Terms to be modified as at Table-2.



<b>Table-1</b>		
Milestone	SBD-2014	Modified #
M1	5.0	3.0
M2	5.0	
Progress	77.5	77.0
PAC	2.5	2.5
CC	2.5	5.0
PG	5.0	7.5
FAC	2.5	5.0
<i># Modified terms to be valid till 31.12.2021 or further amendment</i>		

<b>Table-2</b>		
Milestone	SBD-2020	Modified #
M1	5.0	3.0
M2	2.5	
Progress	72.5	77.0
PAC	2.5	2.5
CC	5.0	5.0
PG	7.5	7.5
FAC	5.0	5.0
<i># Modified terms to be valid till 31.12.2021 or further amendment</i>		

- (ii) Further, all the tenders/contracts issued/concluded till 31.12.2021 should also have the provision of reduced Performance Security.
- (iii) In all contracts where Performance Security has been reduced to 3% in view of above stipulations, the reduced percentage of Performance Security shall continue for the entire duration of the contract and there should be no subsequent increase of Performance Security even beyond 31.12.2021.
- (iv) Similarly, in all contracts entered into with reduced performance security of 3%, there will be no subsequent increase of Performance Security even beyond 31.12.2021.
- (v) Wherever, there are compelling circumstances to ask for Performance Security in excess of 3% as stipulated above, the same should be done only with the approval of the next higher authority to the authority competent to finalise the particular tender. Specific reasons justifying the exception shall be recorded.
- (vi) The above shall be applicable till 31.12.2021 or further amendment.

**B) Bid Security/Earnest Money Deposit:**

Notwithstanding any provision contained in the SBD, “No provisions regarding Bid Security should be kept in the Bid Documents in future and only provision for ‘Bid Security Declaration’ should be kept in the Bid Documents” (being issued based on SBD).

All the bidders shall be required to sign a Bid Securing Declaration (*Format enclosed*) accepting that if they withdraw or modify their Bids during the period of validity specified by the Bidder, or if they are awarded the contract and fail to sign the contract, or to submit a Performance Bank Guarantee before the deadline or if they commit any other breach of the Bid, they will be suspended for a period

of **one year** (from the date of Letter of Acceptance issued to the successful Bidder or date of approval for tender cancellation by Competent Authority), from being eligible to submit Bids for Contracts at SAIL.


Wherever, there are compelling circumstances to ask for Bid Security, the same should be done only with the approval of the next higher authority to the authority competent to finalise the particular tender. Specific reasons justifying the exception shall be recorded.

The above shall be applicable for all tenders issued till 31.12.2021 or further amendment.

**C) Additional Performance Security in case of Abnormally Low Bids (ALB):**

As the SBD-2014 or SBD-2020 does not have any provision to obtain Additional Performance Security (APS) in case of Abnormally Low Bids (ALB), Guidelines issued by CMMG shall prevail for tenders to be issued based on SBD-2014 & SBD-2020.

Yours sincerely,

  
11/12/2021  
(Gautam Bhatia)  
CGM (Projects)

Encl: As above

To:

1. Dir (T, P & RM), Dir (Fin), Dir I/c (BSP), Dir I/c (BSL), Dir (Pers.), Dir (Comml.)
2. Chief Vigilance Officer, SAIL, New Delhi
3. CEO-DSP & ASP, CEO-ISP, CEO-RSP
4. ED: ASP/SSP/VISP/CFP/RDCIS/CET/SRU/SPU
5. ED (Projects): BSP/DSP/RSP/BSL/ISP/RMD
6. ED (Vigilance), ED (CMMG), ED (Law) & PLO
7. CGM, Chairman Sectt.



**Bid-Securing Declaration**

Bidder's Ref. No. \_\_\_\_\_  
Date: \_\_\_\_\_

To  
.....  
Steel Authority of India Limited  
.....  
.....  
**[Name and Address of Employer]**

[Ref- Invitation For Bid No. .... dated .....  
For..... **(Name of Facilities)**]

Dear Sir,

I/We\*, the undersigned, declare that: I/We\* understand that, according to your conditions, bids must be supported by a Bid-Securing Declaration.

I/We\* understand that if I/We\* withdraw or modify our Bids during the period of validity, or if I/We\* go for any other breach of the Bid, or if I/We\* are awarded the contract and I/We fail to sign the contract, or to submit a performance bank guarantee before the deadline defined in the request for bids document, I/We will be suspended for the period of one year from being eligible to submit Bids for all future contracts.

I/We\* understand this Bid Securing Declaration shall cease to be valid if I am/we are\* not the successful Bidder, upon the earlier of (i) the receipt of your notification of the name of the successful Bidder; or (ii) thirty days after the expiration of the validity of my/our\* Bid.

Signed: *[insert signature of person whose name and capacity are shown]* In the capacity of *[insert legal capacity of person signing the Bid Securing Declaration]*

Name: *[insert complete name of person signing the Bid Securing Declaration]*

Duly authorized to sign the bid for and on behalf of: *[insert complete name of Bidder]*

Dated on \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ *[insert date of signing]*

Corporate Seal (where appropriate)

- [Note:*
- a) *In case of a Joint Venture, the Bid Securing Declaration must be in the name of all partners to the Joint Venture that submits the bid.*
  - b) *In case of a Consortium, the Bid Securing Declaration must be in the name of all participating members to the consortium that submits the bid.]*

**\*Please delete as appropriate**



**No. DPE/7(4)/2017-Fin.(Part-I)**  
**Government of India**  
**Ministry of Heavy Industries & Public Enterprises**  
**Department of Public Enterprises**  
\*\*\*\*\*

**Public Enterprises Bhawan**  
**Block No.14, CGO Complex**  
**New Delhi – 110003**

**Date: November, 2020**

**OFFICE MEMORANDUM**

**Sub.: D/o Expenditure OMs No.9/4/2020-PPD dated 12.11.2020 on Additional Performance Security in case of Abnormally Low Bids, Bid Security /Earnest Money Deposit and Performance Security-regarding**

The undersigned is directed to enclose Department of Expenditure's (DoE) OMs on the following matters for information and compliance by CPSEs:

- (i) Reduction in Performance Security from existing 5-10% to 3% of the value of the contract. (DoE OM No.9/4/2020-PPD dated 12.11.2020)
  - (ii) No provisions regarding Bid Security should be kept in the Bid Documents in future and only provisions for Bid Security Declaration should be kept in the Bid Documents. (DoE OM No.9/4/2020-PPD dated 12.11.2020)
  - (iii) No provision should be kept in the Bid Documents regarding Additional Security Deposit/ Bank Guarantee (BG) in case of Abnormally Low Bids. (DoE OM No.9/4/2020-PPD dated 12.11.2020)
2. All the administrative Ministries/ Departments of CPSEs are requested to ensure compliance of the directions issued by DoE by CPSEs under their administrative control.
3. This issues with the approval of competent authority.

  
(Amit Rastogi)  
Director  
Tel.24362061

Encl.: (DoE's 3 OMs No. 9/4/2020-PPD dated 12.11.2020)

To

- i) All the Secretaries to the Administrative Ministries/Departments of CPSEs
- ii) Chief Executives of CPSEs

Copy for information to:  
Secretary, D/o Expenditure, North Block, New Delhi

No. F.9/4/2020-PPD  
Government of India  
Ministry of Finance  
Department of Expenditure  
Procurement Policy Division

512, Lok Nayak Bhawan, New Delhi  
Dated the 12<sup>th</sup> November 2020

**OFFICE MEMORANDUM**

**Subject: Performance Security.**

As per Rule 171 of General Financial Rules (GFRs) 2017, Performance Security is to be obtained from the successful bidder awarded the contract for an amount of five to ten percent of the value of the contract to ensure due performance of the contract. Similar provisions also exist in the Manual for Procurement of Works 2019 and Manual for Procurement of Consultancy & other Services 2017 issued by this Department.

2. The Government is in receipt of many representations that on account of slowdown in economy due to the pandemic, there is acute financial crunch among many commercial entities and contractors, which in turn is affecting timely execution of the contracts. It has also been represented that this may affect the ability of contractors to bid in tenders and hence reduce competition. Requests are being received for reduction in quantum of Security Deposits in the Government contracts.

3. In view of all above, it is decided to reduce **Performance Security from existing 5-10% to 3% of the value of the contract** for all existing contracts. However, the benefit of the reduced Performance Security will not be given in the contracts under dispute wherein arbitration/ court proceedings have been already started or are contemplated.

4. Further, all tenders/ contracts issued/ concluded till 31.12.2021 should also have the provision of reduced Performance Security.


5. In all contracts where Performance Security has been reduced to 3% in view of above stipulations, the reduced percentage of Performance Security shall continue for the entire duration of the contract and there should be no subsequent increase of Performance Security even beyond 31.12.2021.

Similarly, in all contracts entered into with the reduced percentage of Performance Security of 3%, there will be no subsequent increase in Performance Security even beyond 31.12.2021.

6. Wherever, there is compelling circumstances to ask for Performance Security in excess of three percent as stipulated above, the same should be done only with the approval of the next higher authority to the authority competent to finalise the

particular tender, or the Secretary of the Ministry/ Department, whichever is lower. Specific reasons justifying the exception shall be recorded.

7. These instructions will be applicable for all kinds of procurements viz. Goods, Consultancy, Works, non-consulting Services etc and are issued under Rule 6(1) of the GFRs 2017.

  
(Kotluru Narayana Reddy)  
Deputy Secretary to the Govt. of India  
Tel: 24621305  
Email: kn.reddy@gov.in

To,

All the Secretaries and Financial Advisers to Government of India

Copy to: Secretary, Department of Public Enterprises with a request to issue the same instructions to Central Public Sector Undertakings (CPSUs).

No. F.9/4/2020-PPD  
Government of India  
Ministry of Finance  
Department of Expenditure  
Procurement Policy Division

512, Lok Nayak Bhawan, New Delhi  
Dated the 12<sup>th</sup> November 2020

**OFFICE MEMORANDUM**

**Subject: Bid Security/ Earnest Money Deposit.**

The Government is in receipt of many representations that on account of slowdown in economy due to the pandemic, there is acute financial crunch among many commercial entities and contractors, which in turn is affecting timely execution of the contracts. It has also been represented that this may affect the ability of contractors to bid in tenders and hence reduce competition. Requests are being received for reduction in quantum of Security Deposits in the Government contracts.

2. As per Rule 170 of General Financial Rules (GFRs) 2017, Micro and Small Enterprises (MSEs) and the firms registered with concerned Ministries/ Departments are exempted from submission of Bid Security. Further, in lieu of Bid Security, Ministries/ Departments may ask bidders to sign "Bid Security Declaration" accepting that if they withdraw or modify their bids during period of validity etc., they will be suspended for the time specified in the tender documents. Similar provisions also exist in the Manuals for Procurement of Works 2019 and Manual for Procurement of Consultancy & other Services 2017.

3. In this context it is noted that Bid Security (also known as Earnest Money Deposit) is still being taken from the contractors by the various Ministries/ Departments, though the relaxations have already been provided in General Financial Rules (GFRs) 2017.

4. In view of above, it is reiterated that notwithstanding anything contained in Rule 171 of GFRs 2017 or any other Rule or any provision contained in the Procurement Manuals, **no provisions regarding Bid Security should be kept in the Bid Documents in future and only provision for Bid Security Declaration should be kept in the Bid Documents.**

5. Wherever, there are compelling circumstances to ask for Bid Security, the same should be done only with the approval of the next higher authority to the authority competent to finalise the particular tender or the Secretary of the Ministry/ Department, whichever is lower.

6. The above instructions will be applicable for all the tenders issued till 31.12.2021.

7. These instructions will be applicable for all kinds of procurements viz. Goods, Consultancy, Works, non-consulting Services etc and are issued under Rule 6(1) of the GFRs 2017.



(Kotluru Narayana Reddy)  
Deputy Secretary to the Govt. of India  
Tel: 24621305  
Email: kn.reddy@gov.in

To,

All the Secretaries and Financial Advisers to Government of India

Copy to: Secretary, Department of Public Enterprises with a request to issue the same instructions to Central Public Sector Undertakings (CPSUs).



No. F.9/4/2020-PPD  
Government of India  
Ministry of Finance  
Department of Expenditure  
Procurement Policy Division

512, Lok Nayak Bhawan, New Delhi  
Dated the 12<sup>th</sup> November 2020

**OFFICE MEMORANDUM**

**Subject: Additional Performance Security in case of Abnormally Low Bids (ALBs).**

The Government is in receipt of many representations that on account of slowdown in economy due to the pandemic, there is acute financial crunch among many commercial entities and contractors, which in turn is affecting timely execution of the contracts. It has also been represented that this may affect the ability of contractors to bid in tenders and hence reduce competition. Requests are being received for reduction in quantum of Security Deposits in the Government contracts.

2. In this context, it is noted that Additional Performance Security in case of Abnormally Low Bids (ALBs) is being taken from the contractors by various Ministries/ Departments though there is no provision for the same in General Financial Rules (GFRs) 2017 or the Manuals for Procurement issued by this Department.


3. As per para 7.5.7 of the Manual for Procurement of Goods 2017 issued by this Department, *an Abnormally Low Bid is one in which the bid price, in combination with other elements of the Bid, appears so low that it raises material concerns as to the capability of the bidder to perform the contract at the offered price. Procuring Entity may in such cases seek written clarifications from the bidder, including detailed price analyses of its bid price in relation to scope, schedule, allocation of risks and responsibilities, and any other requirements of the bids document. If, after evaluating the price analyses, Procuring Entity determines that the bidder has substantially failed to demonstrate its capability to deliver the contract at the offered price, the Procuring Entity may reject the bid/ proposal. However, it would not be advisable to fix a normative percentage below the estimated cost, which would be automatically be considered as an abnormally low bid. Due care should be taken while formulating the specifications at the time of preparation of bid document so as to have a safeguard against the submission of abnormally low bid from the bidder.*

4. In view of above, **it is reiterated that no provisions should be kept in the Bid Documents regarding Additional Security Deposit/ Bank Guarantee (BG) in case of Abnormally Low Bids.**

5. Wherever, there are compelling circumstances to ask for Additional Security Deposit/ Bank Guarantee (BG) in case of ALBs, the same should be taken only with

the approval of the next higher authority to the authority competent to finalise the particular tender, or the Secretary of the Ministry/ Department, whichever is lower.

6. These instructions will be applicable for all kinds of procurements viz. Goods, Consultancy, Works, non-consulting Services etc.

  
(Kotluru Narayana Reddy)  
Deputy Secretary to the Govt. of India  
Tel: 24621305  
Email: kn.reddy@gov.in

To,

All the Secretaries and Financial Advisers to Government of India

Copy to: Secretary, Department of Public Enterprises with a request to issue the same instructions to Central Public Sector Undertakings (CPSUs).