

Contract Document / Conditions of Contract

Construction of 500 kLD Sewage Treatment Plant at GNDEC campus, Ludhiana

May, 2016

This document is a part of the Work Order given by the Nankana Sahib Education Trust, Ludhiana for the construction of 500 kLD Sewage Treatment Plant (STP) at the campus of Guru Nanak Dev Engineering College, Ludhiana-141006.

A. General

1. Definitions

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

Bill of Quantities means the priced and completed Bill of Quantities forming part of the Contract Document.

The **Completion Date** is the date of completion of the Works as given in the work order.

The **Contract** is the contract between the Employer and the Contractor to plan, design the STP as per the approved technology; and construct, commission and operate the STP for a period as per the work order/ agreement.

The **Contract Data** defines the approved design documents, approved working drawings and other information which comprise the work order.

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

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

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

Days are calendar days; **months** are calendar months.

A **Defect** is any part of the Works not completed in accordance with the Contract and when the STP fails to achieve the safe disposal of treated water as per the applicable guidelines of CPCB/ PPCB.

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

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

The **Engineer** is the person named in the Contract Data (or any other competent person appointed and notified to the contractor to act in replacement of the Engineer) who is responsible for supervising the execution of the works and administering the Contract.

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

The **Initial Contract Price** is the Contract Price listed in the Employer's Work Order.

The **Intended Completion Date** is the date on which it is intended that the Contractor shall complete the Works. The Intended Completion Date is specified in the Contract Data. The Intended Completion Date may be revised only by the Engineer by issuing an extension of time as per norms of the trust.

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

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

The **Site** is the area defined as such in the Contract Data and as given by the Employer for starting the construction work.

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

Specification means the Specification of the Works included in the Contract and any modification or addition made and approved by the Engineer.

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

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

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

The **Works** are what the Contract requires the Contractor to construct, install, commission and operate the STP as per the agreement and hand over to the Employer, as defined in the Contract Data.

2. Interpretation

- 2.1** In interpreting these Conditions of Contract, singular also means plural, male also means female or neuter, and the other way around. Headings have no significance. Words have their normal meaning under the language of the Contract unless specifically defined. The Engineer will provide instructions clarifying queries about the Conditions of Contract as given in the Contract Document.
- 2.2** If sectional completion is specified in the Contract Data, references in the Conditions of Contract to the Works, the Completion Date, and the Intended Completion Date apply to any Section of the Works (other than references to the Completion Date and Intended Completion date for the whole of the Works).
- 2.3** The documents forming the Contract shall be interpreted in the following order of priority:
- (1) Memorandum of Agreement (MoA)
 - (2) Letter of Acceptance (LoA), notice to proceed with the works
 - (3) Contractor's Bid
 - (4) Contract Document
 - (5) Design calculations
 - (6) Approved working drawings
 - (7) Specifications
 - (8) Bill of quantities and
 - (9) Any other document listed in the Contract Data as forming part of the Contract.

3. Language and Law

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

4. Engineer's Decisions

4.1 Except where otherwise specifically stated, the Engineer will decide contractual matters between the Employer and the Contractor in the role representing the Employer.

5. Delegation

5.1 The Engineer may delegate any of his duties and responsibilities to other people except to the Adjudicator after notifying the Contractor and may cancel any delegation after notifying the Contractor.

6. Communications

6.1 Communications between parties which are referred to in the conditions are effective only when in writing. A notice shall be effective only when it is delivered.

7. Subcontracting

7.1 The Contractor may subcontract with the approval of the Engineer but may not assign the Contract without the approval of the Employer in writing. Subcontracting does not alter the Contractor's obligations.

8. Other Contractors

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

9. Personnel

9.1 The Contractor shall employ the key personnel for the successful and timely completion of the work as per the term & conditions of the work order.

9.2 If the Engineer asks the Contractor to remove a person who is a member of the Contractor's staff or his work force stating the reasons the Contractor shall ensure that the person leaves the Site within seven days and has no further connection with the work in the Contract.

10. Employer's and Contractor's Risks

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

11. Employer's Risks

11.1 The Employer is responsible for the excepted risks which are (a) in so far as they directly affect the execution of the Works in the Employer's country, the risks of war, hostilities, invasion, act of foreign enemies, rebellion, revolution, insurrection or military or usurped power, civil war, riot commotion or disorder (unless restricted to the Contractor's employees), and contamination from any nuclear fuel or nuclear waste or radioactive toxic explosive, or (b) a cause due solely to the design of the Works, other than the Contractor's design.

12. Contractor's Risks

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

13. Insurance

13.1 The Contractor shall provide, in the joint names of the Employer and the Contractor, insurance cover from the Start Date to the end of the Defects Liability Period, in the amounts and deductibles stated in the Contract Data for the following events which are due to the Contractor's risks:

- (a) loss of or damage to the Works, Plant and Materials;
- (b) loss of or damage to Equipment;
- (c) loss of or damage of property (except the Works, Plant, Materials and Equipment) in connection with the Contract; and
- (d) personal injury or death.

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

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

13.4 Alterations to the terms of insurance shall not be made without the approval of the Engineer.

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

14. Site Investigation Reports

14.1 The Contractor, in preparing the design calculations and drawings, shall rely on any site Investigation Reports referred to in the Contract Data, supplemented by any information available to the Bidder.

15. Queries about the Contract Data

15.1 The Engineer will clarify queries on the Contract Data.

16. Contractor to Construct the Works

16.1 The Contractor shall construct and install the Works in accordance with the Specification and Drawings, and as per instructions of Engineer.

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

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

18. Approval by the Engineer

- 18.1** The Contractor shall submit Specifications and Drawings showing the proposed Temporary Works to the Engineer, who is to approve them if they comply with the Specifications and Drawings.
- 18.2** The Contractor shall be responsible for design of Temporary Works.
- 18.3** The Engineer's approval shall not alter the Contractor's responsibility for design of the Temporary Works.
- 18.4** The Contractor shall obtain approval of third parties to the design of the Temporary Works where required.
- 18.5** All Drawings prepared by the Contractor for the execution of the temporary or permanent Works, are subject to prior approval by the Engineer before their use.

19. Safety

- 19.1** The Contractor shall be responsible for the safety of personals/labor employed by him on the Site.

20. Discoveries

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

21. Possession of the Site

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

22. Access to the Site

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

23. Instructions

- 23.1** The Contractor shall carry out all instructions of the Engineer which comply with the applicable laws where the Site is located.
- 23.2** The Contractor shall permit the bank to inspect the Contractor's accounts and records relating to the performance of the Contractor and to have them audited by auditors appointed by the Bank, if so required by the Bank.

24. Disputes

- 24.1** If the Contractor believes that a decision taken by the Engineer was either outside the authority given to the Engineer by the Contract or that the decision was wrongly taken, the decision shall be referred to the Director of the Trust within 28 days of the notification of the Engineer's decision.

B. Time Control

25. Program

- 25.1** Within the time stated in the Contract Data the Contractor shall submit to the Engineer for approval a Program showing the general methods, arrangements, order, and timing for all the activities in the Works, along with monthly cash flow forecast.

- 25.2** An update of the Program shall be a program showing the actual progress achieved on each activity and the effect of the progress achieved on the timing of the remaining work including any changes to the sequence of the activities.
- 25.3** The Contractor shall submit to the Engineer, for approval, an updated Program at intervals no longer than the period stated in the Contract Data. If the Contractor does not submit an updated Program within this period, the Engineer may withhold the amount stated in the Contract Data from the next payment certificate and continue to withhold this amount until the next payment after the date on which the overdue Program has been submitted.
- 25.4** The Engineer's approval of the Program shall not alter the Contractor's obligations. The Contractor may revise the Program and submit it to the Engineer again at any time. A revised Program is to show the effect of Variations and Compensation Events.

26. Extension of the Intended Completion Date

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

27. Delays Ordered by the Engineer

- 27.1** The Engineer may instruct the Contractor to delay the start or progress of any activity within the Works.

28. Management Meetings

- 28.1** Either the Engineer or the Contractor may require the other to attend a management meeting. The business of a management meeting shall be to review the plans for remaining work and to deal with matters raised in accordance with the early warning procedure.
- 28.2** The Engineer shall record the business of management meetings and is to provide copies of his record to those attending the meeting and to the Employer. The responsibility of the parties for actions to be taken is to be decided by the Engineer either at the management meeting or after the management meeting and stated in writing to all who attended the meeting.

C. Quality Control

29. Identifying Defects

- 29.1** The Engineer shall check the Contractor's work and notify the Contractor of any Defects that are found. Such checking shall not affect the Contractor's responsibilities. The Engineer may instruct the Contractor to search for a Defect and to uncover and test any work that the Engineer considers may have a Defect.
- 29.2** The contractor shall permit the Employer's quality control committee and technical committee to check the Contractor's work and notify the Engineer and Contractor of any defects that are found. Such a check shall not affect the Contractor's or the Engineer's responsibility as defined in the Contract Agreement.
- 29.3** The contractor will take consent (in writing) in the pour card from the technical committee before pouring concrete and take samples as per provisions of IS 456 (2000).

- 29.4 The contractor will arrange to send cubes (in number as decided by the quality control committee) filled from each lot of cast to the laboratory for testing as per provisions of IS 456 (2000).
- 29.5 Suitable vibrator(s) must be used to proper compaction of concrete as per the requirement of the member size/orientation.
- 29.6 Concrete mixer(s), lift(s) for transporting green concrete and other machinery required for a timely completion of the project will be arranged by the contractor.
- 29.7 In the installation of electrical parts, pumps, hydraulic units, the contractor will follow provisions of all applicable Indian Standards.

30. Tests

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

31. Correction of Defects

- 31.1 The Engineer shall give notice to the Contractor of any Defects before the end of the Defects Liability Period, which begins at Completion and is defined in the Contract Data. The Defects Liability Period shall be extended for as long as Defects remain to be corrected.
- 31.2 Every time notice of a Defect is given, the Contractor shall correct the notified Defect within the length of time specified by the Engineer's notice.

32. Uncorrected Defects

- 32.1 If the Contractor has not corrected a Defect within the time specified in the Engineer's notice, the Engineer will assess the cost of having the Defect corrected, and the Contractor will pay this amount.

Note: Where in certain cases, the technical specifications provide for acceptance of works within specified tolerance limits at reduced rates, Engineer will certify payments to Contractor accordingly.

D. Cost Control

33. Bill of Quantities

- 33.1 The Bill of Quantities shall contain items for the construction, installation, testing, and commissioning work to be done by the Contractor.
- 33.2 The Bill of Quantities is used to calculate the Contract Price. The Contractor is paid for the quantity of the work done at the rate in the approved Bill of Quantities for each item.

34. Changes in the Quantities

- 34.1 If the final quantity of the work done differs from the quantity in the Bill of Quantities for the particular item by more than 25 percent, provided the change exceeds 1% of Initial Contract Price, the Engineer shall adjust the rate to allow for the change.
- 34.2 The Engineer shall not adjust rates from changes in quantities if thereby the Initial Contract Price is exceeded by more than 15 percent, except with the Prior approval of the Employer.
- 34.3 If requested by the Engineer, the Contractor shall provide the Engineer with a detailed cost breakdown of any rate in the Bill of Quantities.

35. Variations

- 35.1 All Variations shall be included in updated Programs produced by the Contractor. It must be intimated to the Engineer well in advance.
- 35.2 If the contractor fails to do this (cl. 35.1), such variations will not be considered and the contractor is bind to complete the work at his own costs and produce the treated water as per the latest applicable safe disposal guidelines of CPCB/ PPCB for water bodies.

36. Payments for Variations

- 36.1** The Contractor shall provide the Engineer with a quotation (with breakdown of unit rates) for carrying out the Variation when requested to do so by the Engineer. The Engineer shall assess the quotation, which shall be given within seven days of the request or within any longer period stated by the Engineer and before the Variation is ordered.
- 36.2** If the Contractor's quotation is unreasonable (or if the contractor fails to provide the Engineer with a quotation within a reasonable time specified by the Engineer), the Engineer may order the Variation and make a change to the Contract Price which shall be based on Engineer's own forecast of the effects of the Variation on the Contractor's costs.
- 36.3** If the Engineer decides that the urgency of varying the work would prevent a quotation being given and considered without delaying the work, no quotation shall be given and the Variation shall be treated as a Compensation Event.
- 36.4** The Contractor shall not be entitled to additional payment for costs which could have been avoided by giving early warning.

37. Cash flow forecasts

- 37.1** When the Program is updated, the contractor is to provide the Engineer with an updated cash flow forecast.

38. Payment Certificates

- 38.1** The Contractor shall submit to the Engineer monthly statements of the estimated value of the work completed less the cumulative amount certified previously along with details of measurement of the quantity of works executed in a tabulated form (MB) as approved by the Engineer.
- 38.2** The Engineer shall check the Contractor's monthly statement and within 14 days certify the amount to be paid to the Contractor.
- 38.3** The value of work executed shall be determined by the Engineer after due check measurement of the quantities claimed as executed by the contractor.
- 38.4** The value of work executed shall comprise the value of the quantities of the items in the Bill of Quantities completed.
- 38.5** The value of work executed shall include the valuation of Variations and Compensation Events.
- 38.6** The Engineer may exclude any item certified in a previous certificate or reduce the proportion of any item previously certified in any certificate in the light of later information.

39. Payments

- 39.1** A part (= 3%) of the earnest money @ 5% of approved contract cost submitted by the contractor will be paid back along with the first running bill submitted by him. The remaining part (= 2%) of the earnest money will be retained as a security amount, refundable at the completion of the STP work.
- 39.2** Security deposit will be deducted @ 10% of each running bills submitted by the contractor till the total amount becomes equal to 5% of the approved contract cost. This amount will be retained by the employer till completion of 3 months after the successful commissioning of the STP.
- 39.3** Mobilization charges/secured advance payment for starting the work @ 10 % of the approved contract cost will be paid to the contractor upon receipt of the letter of acceptance (LoA), Memorandum of agreement (MoA) and a bank guarantee in this regards as per the prescribed format in this regards.
- 39.4** Payments shall be adjusted for deductions for advance payments, retention, other recoveries in terms of the contract and taxes, at source. The Employer shall pay the Contractor the amounts certified by the Engineer within 21 days of the date of each request made by the contractor for the release of the payment and receipt of the MB for the work completed up to the date of such requests.

- 39.5** The final/last 10 % payment will be released after a successful commissioning of the STP and receipt of the final inspection report from the technical committee who would satisfy themselves regarding the safe disposal guidelines of the treated water as per the provisions of applicable Law through the test results conducted over a period of time after the commissioning and stabilization period of the STP.
- 39.6** Items of the Works for which no rate or price have been entered in the Bill of quantities/approved estimate will not be paid for by the Employer.
- 39.7** The contractor will submit a performance bank guarantee @ 10% of the approved contract cost (= Rs 155/- lakh), as per the prescribed Performa from a nationalized bank, valid for the first block period of 5 (five) years after the successful commissioning of the STP. The technical committee appointed by the employer will notify date in this regards based upon the test results. The contractor has to renew the bank guarantee, in case he is requested by the employer to operate the STP for the next block period of 5 (five) years. However, in such a case, the contractor will be intimated 3 (three) months before the expiry of first 5 (five) years block period.

40. Compensation Events

- 40.1** The following are Compensation Events unless they are caused by the Contractor:
- (a) The Employer does not give access to a part of the Site by the Site Possession Date stated in the Contract Data.
 - (b) The Employer modifies the schedule of other contractors in a way which affects the work of the contractor under the contract.
 - (c) The Engineer orders a delay or does not issue drawings, specifications or instructions required for execution of works on time.
 - (d) The Engineer instructs the Contractor to uncover or to carry out additional tests upon work which is then found to have no Defects.
 - (e) The Engineer unreasonably does not approve for a subcontract to be let.
 - (f) Ground conditions are substantially more adverse than could reasonably have been assumed before issuance of Letter of Acceptance from the information issued to Bidders (including the Site Investigation Reports), from information available publicly and from a visual inspection of the Site.
- 40.2** If a Compensation Event would cause additional cost or would prevent the work being completed before the Intended Completion Date, the Contract Price shall be increased and/or the Intended Completion Date is extended. The Engineer shall decide whether and by how much the Contract Price shall be increased and whether and by how much the Intended Completion Date shall be extended.
- 40.3** As soon as information demonstrating the effect of each Compensation Event upon the Contractor's forecast cost has been provided by the Contractor, it is to be assessed by the Engineer and the Contract Price shall be adjusted accordingly. If the Contractor's forecast is deemed unreasonable, the Engineer shall adjust the Contract Price based on Engineer's own forecast. The Engineer will assume that the Contractor will react competently and promptly to the event.
- 40.4** The Contractor shall not be entitled to compensation to the extent that the Employer's interests are adversely affected by the Contractor not having given early warning or not having cooperated with the Engineer.

45. Tax

- 45.1** The rates quoted by the Contractor shall be deemed to be inclusive of the sales and other taxes that the Contractor will have to pay for the performance of this Contract. The Employer will perform such duties in regard to the deduction of such taxes at source as per applicable law.

46. Retention

- 46.1** The Employer shall retain from each payment an amount @ 2% of running bill as a security.
- 46.2** On completion of the whole of the Works, half the total amount retained is repaid to the Contractor and half when the Defects Liability Period has passed and the Engineer has certified that all Defects notified by the Engineer to the Contractor before the end of this period have been corrected.
- 46.3** On completion of the whole works, the Contractor may substitute retention money with an “on demand” Bank guarantee.

47. Liquidated Damages

- 47.1** The Contractor shall pay liquidated damages to the Employer at the rate per day stated in the Contract Data for each day that the Completion Date is later than the Intended Completion Date (for the whole of the works or the milestones as stated in the Contract Data). The total amount of liquidated damages shall be Rs 5000/- per day. The Employer may deduct liquidated damages from payments due to the Contractor. Payment of liquidated damages does not affect the Contractor's liabilities.
- 47.2** If the Intended Completion Date is extended after liquidated damages have been paid, the Engineer shall correct any overpayment of liquidated damages by the Contractor by adjusting the next payment certificate.
- 47.3** The Performance Security shall be provided to the Employer no later than the date specified in the Letter of Acceptance and shall be issued in an amount and form and by a bank or surety acceptable to the Employer, and denominated in Indian Rupees. The Performance Security shall be valid until a date 28 days from the date of expiry of Defects Liability Period and the additional security for unbalanced bids shall be valid until a date 28 days from the date of issue of the certificate of completion.

48. Cost of Repairs

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

E. Finishing the Contract

49. Completion

- 49.1** The Contractor shall request the Engineer to issue a Certificate of Completion of the Works and the Engineer will do so upon deciding that the Work is completed.

50. Taking Over

- 50.1** The Employer shall take over the Site and the Works within seven days of the Engineer issuing a certificate of Completion

51. Final Account

- 51.1** The Contractor shall supply to the Engineer a detailed account of the total amount that the Contractor considers payable under the Contract before the end of the Defects Liability Period. The Engineer shall issue a Defect Liability Certificate and certify any final payment that is due to the Contractor within 60 days of receiving the Contractor's account if it is correct and complete. If it is not, the Engineer shall issue within 60 days a schedule that states the scope of the corrections or additions that are necessary. If the Final Account is still unsatisfactory after it has been resubmitted, the Engineer shall decide on the amount payable to the Contractor and issue a payment certificate within 60 days of receiving the Contractor's revised account.

52. Operating and Maintenance Manuals

- 52.1** After the completion of the construction work, the contractor will submit "as built" Drawings and the final as constructed layout plan of various electrical and hydraulic fittings of the STP to the employer. The Contractor shall also supply a copy of the operating and maintenance manuals.
- 52.2** If the Contractor does not supply the Drawings and/or manuals by the dates stated in the Contract Data, or they do not receive the Engineer's approval, the Engineer shall withhold the amount stated in the Contract Data from payments due to the Contractor.

53. Termination

- 53.1** The employer reserves right to cancel the work order without assigning any reason.
- 53.1** The technical construction committee also reserves right to modify/amend the drawings, specifications, and issue supplementary drawings in light of applicable pollution norms or any other special need arising due to such guidelines from the PPCB/ CPCB without assigning any reason. However, payment will be made on actual measurement basis for any extra work done by the contractor on request of the committee.

54. Payment upon Termination

- 54.1** If the Contract is terminated because of any reason/ a fundamental breach of Contract by the Contractor, the Engineer shall issue a certificate for the value of the work done less advance payments received up to the date of the issue of the certificate, less other recoveries due in terms of the contract, less taxes due to be deducted at source as per applicable law and less the percentage to apply to the work not completed as indicated in the Contract Data. Additional Liquidated Damages shall not apply. If the total amount due to the Employer exceeds any payment due to the Contractor the difference shall be a debt payable to the Employer.
- 54.2** If the Contract is terminated at the Employer's convenience or because of a fundamental breach of Contract by the Employer, the Engineer shall issue a certificate for the value of the work done, the reasonable cost of removal of Equipment, repatriation of the Contractor's personnel employed solely on the Works, and the Contractor's costs of protecting and securing the Works and less advance payments received up to the date of the certificate, less other recoveries due in terms of the contract, and less taxes due to be deducted at source as per applicable law.

55. Property

- 55.1** All materials on the Site, Plant, Equipment, Temporary Works and Works are deemed to be the property of the Employer, if the Contract is terminated because of a Contractor's default.

56. Release from Performance

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

57. Commissioning and Operation of the work / STP

- 57.1** The contractor will commission and operate the STP after its completion as per the approved drawings and specifications for five years and show through the tests conducted as per the standard procedures of the testing that water at outlet of the STP conforms to the provisions of applicable law/ CPWD/ CPCB/ PPCB latest guidelines for safe disposal in water bodies.
- 57.2** The contractor will be paid an amount of Rs 60,000/- (Rupees sixty thousands only) as agreed in the letter of acceptance during the period of operations of the STP.
- 57.3** In case, the constructed STP failed to operate as per the design approved by the technical committee or failed to operate and give performance as desired by the Law/ CPWD/ CPCB/ PPCB latest guidelines, the performance guarantee submitted by the contractor can be forfeited; else the contractor

will modify the STP at his cost to satisfy the discharge condition of treated water into water bodies as per the applicable Law.

57.3 The employer can request the contractor to operate the STP for the next five years at the end of the stipulated five years operations period at an agreed cost of operations submitted by the contractor at the time of bidding for a period of 15 years. In case, he refuses to operate the STP beyond five years at the request of the employer, the performance bank guarantee and other security deposits held by the employer will be revoked/ forfeited.

58. Other terms & conditions

58.1 The contractor will prepare a set of detailed working drawings and bill of quantities of the proposed STP along with detailed technical proposal submitted by the bidder and submit it for an approval from the technical committee before execution of the work. A technical proposal must contain detailed working drawings, design calculations complete in all aspects, giving details of all components of the proposed STP (for a capacity of 500 kLD) with maintenance schedule (also showing replacement of major parts, if any). It must contain a flow chart of the proposed STP system.

58.2 The work shall be executed as per the approved specifications, working drawings and as per directions of the Technical Committee constituted for this purpose. It must conform to the conditions/ clauses as laid in the manual of CPWD.

58.3 The allocated time for completing the assigned job as per term & conditions of the work order is 04 (four) months from the date of issue of the work order.

58.4 The contractor will give in writing that he wants to buy water and electricity from the college for the work.

58.5 If contractor wants to use RMC, a prior consent from the technical committee is mandatory.

58.6 The contractor will submit test report for different materials, such as bricks, steel, cement and RMC (if used) from some Govt. approved laboratory or engineering college.

58.7 Reinforcing steel (TMT of grade Fy 500D) conforming to IS 1786 (latest) from integrated steel plants should be used e.g. TATA TISCON, SAIL, Jindal Panther steel (JSPL TMT).

58.8 Quality PPC cement of brand ACC, UltraTech, JP should be used in all concrete works.

58.9 The electrical wiring, pumping units, pipes and other accessories must be from reputed well established manufacturers, such as havells, kirloskar, JPL, etc., respectively. It must be duly prescribed in the bill of quantities/specifications submitted for the approval.

I have read, understand all above said term & conditions and gone through the approved drawings /specifications of the work. I accept these terms & conditions and I am willing to execute the construction work as per various terms and conditions of the work order no. _____ dated _____.

Date _____ Contractor
Place _____

The contractor/agreement has signed this document on date _____ in the presence of following members of the technical committee.

Witnesses

Accepted and permitted to execute the work as per the approved working drawing and specification and conditions as given in the contract document.

Director

Special Conditions of Contract

1. LABOUR

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

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

2. COMPLIANCE WITH LABOUR REGULATIONS:

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

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

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

- a) Workmen Compensation Act 1923: The Act provides for compensation in case of injury by accident arising out of and during the course of employment.
- b) Payment of Gratuity Act 1972: Gratuity is payable to an employee under the Act on satisfaction of certain conditions on separation if an employee has completed 5 years service or more or on death the rate of 15 days wages for every completed year of service. The Act is applicable to all establishments employing 10 or more employees.
- c) Employees P.F. and Miscellaneous provision Act 195: The Act Provides for monthly contributions by the employer plus workers @ 10% or 8.33%. The benefits payable under the Act are:
 - (i) Pension or family pension on retirement or death as the case may be.
 - (ii) Deposit linked insurance on the death in harness of the worker.
 - (iii) payment of P.F. accumulation on retirement/death etc.
- d) Maternity Benefit Act 1951 :- The Act provides for leave and some other benefits to women employees in case of confinement or miscarriage etc.
- e) Contract Labour (Regulation & Abolition) Act 1970: The Act provides for certain welfare measures to be provided by the Contractor to contract labour and in case the Contractor fails to provide, the same are required to be provided, by the Principal Employer by Law. The principal Employer is required to take Certificate of Registration and the Contractor is required to take license from the designated Officer. The Act is applicable to the establishments or Contractor of Principal Employer if they employ 20 or more contract labour.

- f) Minimum Wages Act 1948: The Employer is supposed to pay not less than the Minimum Wages fixed by appropriate Government as per provisions of the Act if the employment is a scheduled employment. Construction of Buildings, Roads, Runways are scheduled employment.
- g) Payment of Wages Act 1936: It lays down as to by what date the wages are to be paid, when it will be paid and what deductions can be made from the wages of the workers.
- h) Equal Remuneration Act 1979: The Act provides for payment of equal wages for work of equal nature to Male and Female workers and for not making discrimination against Female employees in the matters of transfers, training and promotions etc.
- i) Payment of Bonus Act 1965: The Act is applicable to all establishments employing 20 or more workmen. The Act provides for payments of annual bonus subject to a minimum of 8.33% of wages and maximum of 20% of wages to employees drawing Rs.3500/- per month. or less. The bonus to be paid to employees getting Rs.2500/- per month or above upto Rs.3500/- per month. shall be worked out by taking wages as Rs.2500/- per month only. The Act does not apply to certain establishments. The newly set-up establishments are exempted for five years in certain circumstances. Some of the State Governments have reduced the employment size from 20 to 10 for the purpose of applicability of the Act.
- j) Industrial Disputes Act 1947: The Act lays down the machinery and procedure for resolution of Industrial disputes, in what situations a strike or lock-out becomes illegal and what are the requirements for laying off or retrenching the employees or closing down the establishment.
- k) Industrial Employment (Standing Orders) Act 1946: It is applicable to all establishments employing 100 or more workmen (employment size reduced by some of the States and Central Government to 50). The Act provides for laying down rules governing the conditions of employment by the Employer on matters provided in the Act and get the same certified by the designated Authority.
- l) Trade Unions Act 1926: The Act lays down the procedure per registration of trade unions of workmen and employers. The Trade Unions registered under the Act have been given certain immunities from civil and criminal liabilities.
- m) Child Labour (Prohibition & Regulation) Act 1986: The Act prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulations of employment of children in all other occupations and processes. Employment of Child Labour is prohibited in Building and Construction Industry.
- n) Inter-State Migrant workmen's (Regulation of Employment & Conditions of Service) Act 1979 :- The Act is applicable to an establishment which employs 5 or more inter-state migrant workmen through an intermediary (who has recruited workmen in one state for employment in the establishment situated in another state). The Inter-State migrant workmen, in an establishment to which this Act becomes applicable, are required to be provided certain facilities such as Housing, Medical-Aid, Travelling expenses from home upto the establishment and back etc.
- o) The Building and Other Construction workers (Regulation of Employment and Conditions of Service) Act 1996 and the Cess Act of 1996: All the establishments who carry on any building or other construction work and employs 10 or more workers are covered under this Act. All such establishments are required to pay cess at the rate not exceeding 2% of the cost of construction as may be modified by the Government. The Employer of the establishment is required to provide safety measures at the Building or construction work and other welfare measures, such as Canteens, First-Aid facilities, Ambulance, Housing accommodations for workers near the work place etc. The Employer to whom the Act applies has to obtain a registration certificate from the Registering Officer appointed by the Government.
- p) Factories Act 1948: The Act lays down the procedure for approval at plans before setting up a factory, health and safety provisions, welfare provisions, working hours, annual earned leave and rendering information regarding accidents or dangerous occurrences to designated authorities. It is applicable to premises employing 10 persons or more with aid of power or 20 or more persons without the aid of power engaged in manufacturing process.

PROTECTION OF ENVIRONMENT:

Add the following as GCC Clause 16.2: The contractor shall take all reasonable steps to protect the environment on and off the Site and to avoid damage or nuisance to persons or to property of the public or others resulting from pollution, noise or other causes arising as a consequence of his methods of operation.

During continuance of the contract, the contractor and his sub-contractors shall abide at all times by all existing enactments on environmental protection and rules made thereunder, regulations, notifications and bye-laws of the State or Central Government, or local authorities and any other law, bye-law, regulations that may be passed or notification that may be issued in this respect in future by the State or Central Government or the local authority.

Salient features of some of the major laws that are applicable are given below :

The Water (Prevention and Control of Pollution) Act, 1974, This provides for the prevention and control of water pollution and the maintaining and restoring of wholesomeness of water. 'Pollution' means such contamination of water or such alteration of the physical, chemical or biological properties of water or such discharge of any sewage or trade effluent or of any other liquid, gaseous or solid substance into water (whether directly or indirectly) as may, or is likely to, create a nuisance or render such water harmful or injurious to public health or safety, or to domestic, commercial, industrial, agricultural or other legitimate uses, or to the life and health of animals or plants or of aquatic organisms.

The Air (Prevention and Control of Pollution) Act, 1981, This provides for prevention, control and abatement of air pollution. 'Air Pollution' means the presence in the atmosphere of any 'air pollutant', which means any solid, liquid or gaseous substance (including noise) present in the atmosphere in such concentration as may be or tend to be injurious to human beings or other living creatures or plants or property or environment.

The Environment (Protection) Act, 1986, This provides for the protection and improvement of environment and for matters connected therewith, and the prevention of hazards to human beings, other living creatures, plants and property. 'Environment' includes water, air and land and the inter-relationship which exists among and between water, air and land, and human beings, other living creatures, plants, micro-organism and property.

The Public Liability Insurance Act, 1991, This provides for public liability insurance for the purpose of providing immediate relief to the persons affected by accident occurring while handling hazardous substances and for matters connected herewith or incidental thereto. Hazardous substance means any substance or preparation which is defined as hazardous substance under the Environment (Protection) Act 1986, and exceeding such quantity as may be specified by notification by the Central Government.

Forms of Securities

BANK GUARANTEE

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

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

SEALED with the Common Seal of the said Bank this _____ day of _____ 20_____.

THE CONDITIONS of this obligation are:

If the Contractor having been notified of the acceptance of his bid by the Employer,

- (a) fails or refuses to execute the Memorandum of Agreement (MoU) in accordance with the Instructions to Bidders, if required; or
- (b) fails to start/execute the work and/or maintain the progress of the work for its timely completion and/or complete the work as per the approved drawings and specifications.

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

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

DATE _____ SIGNATURE OF THE BANK _____

WITNESS _____ SEAL _____

[signature, name, and address] _____

PERFORMANCE BANK GUARANTEE

To: Guru Nanak Dev Engineering College, Ludhiana [name of Employer]

Gill Park, Gill Road, Ludhiana 141006. [address of Employer]

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

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

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

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

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

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

This guarantee shall be valid until one month from the date of expiry of the Defects Liability Period.

Signature and seal of the guarantor _____

Name of Bank _____

Address _____

Date _____